

FBIS**DAILY REPORT**
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JOURNAL VIEWS EFFECTS OF USSR OLYMPICS DECISION

HK200410 Beijing SHIJIE ZHISHI in Chinese No 12, 16 Jun 84 p 8

[Article by Jie Fu: "What Does the Soviet Pullout From the Olympic Games Tell?"]

[Text] Many people of good will in the world wish that international sports were free from political influences. This is fair and reasonable. However, facts always go against such good wishes. The latest example is the Soviet decision not to participate in the 23d Summer Olympic Games in Los Angeles this July, which the Soviet Olympic Committee announced on 8 May.

A battle of words between the two superpowers preceded the Soviet decision. The Soviet Olympic Committee, in a statement made on 8 May, accused the United States of placing all sorts of obstacles, including creating an anti-Soviet atmosphere in the country, to prevent Soviet participation in the Olympic Games. But the United States flatly denied this. In this strained atmosphere, Juan Antonio Samaranch, who heads the International Olympic Committee flew here and there in an attempt to resolve the dispute, and held a meeting of the international Olympic authorities in Lausanne, Switzerland, on 24 April. Samaranch met U.S. President Reagan on 8 May, and the latter pledged once again: To ensure the safety of all participants, the United States is totally committed to upholding the Charter and fulfilling its responsibilities as the host nation of the games. Nevertheless, a few hours before Samaranch met Reagan, the Soviet Union had openly announced the aforementioned decision, and later reaffirmed that this decision was final and was not to be altered.

The Soviet Union and the United States have accused each other, and each is sticking to its argument. People can make their own judgment of the dispute. However, it is universally felt that it has damaged the Olympic Games, sportsmen, and the interests of sports lovers as well. Therefore, world opinion and sports organizations of many countries have successively expressed their regret, disappointment, and shock.

This is not an isolated incident, but the expression of the further aggravation of the strained U.S. -Soviet relations, which not only makes international sports suffer, but more importantly threatens world peace. Its effects have already gone beyond the sphere of the Olympic Games. We must as well look at the problem beyond this sphere and take a look at the background and the origin of the incident.

Let us take a general view of the current trend in Soviet-U.S. relations:

Since the interruption of the Soviet-U.S. arms talk in November 1983, both sides have begun their deployment of new guided missiles. At the same time, both sides have reinforced their military deployment in the Asian and Pacific region. Both sides have stepped up their arms drive. The United States is not only producing its powerful MX intercontinental missile, but is developing its space weapons, implementing its "Star Wars" initiative for a space-based antimissile defense. There is an obvious increase in military maneuvers on both sides, and military mishaps have often taken place. On 20 March, a Soviet oil tanker was damaged by a U.S. mine in Nicaraguan waters. On 21 March, a Soviet nuclear submarine ran into the U.S. aircraft carrier Kitty Hawk. In April, the U.S. frigate Holt was shadowing the Soviet aircraft carrier Minsk in the South China Sea, and the former was hit by flares launched by the Minsk. Not long ago, Soviet Defense Minister Ustinov claimed that the Soviet Union would increase the activities of its nuclear submarines near the U.S. coast. Centering on the tense Gulf situation, both sides have been eyeing each other covetously.

Besides, we can also see some maneuvers in the contacts of the two parties: In early March, the Soviet Union refused to accept a letter from Reagan addressed to Chernenko carried by retired U.S. General Scowcroft; on 7 May, an important Soviet figure, Arbatov, director of "the United States of America and Canada Institute" held talks with relevant U.S. departments on the scholars exchange plan of the two countries. However, he refused to sign the agreement which had already been drawn up; the Soviet specialists on space technology have refused the proposed invitation by the U.S. State Department for an interview with U.S. Secretary of State Shultz; the Soviet Government has refused repeated U.S. requests for talks on space problems; three rounds of talks between the two countries on the upgrading and replacement of the "hot line" telecommunications installation have been carried out, and an agreement is close at hand, but "the Soviets have refused to complete this agreement because they do not want to give the impression that U.S.-Soviet relations have improved"; not long ago, each of the countries' embassies in Japan held separate press conferences in Tokyo on the same afternoon, to give a briefing on the other side's "condition of stepping up arms expansion and war preparations." All this has shown that U.S.-Soviet relations have further deteriorated over the past few months. Just as it was pointed out in the annual report of the London-based International Institute for Strategic Studies, "East-West relations have not been so strained since the Cuban crisis of 1962."

Then, why should the aggravation of the strained Soviet-U.S. relations take place at this particular moment? Universal world opinion holds that there are two major factors: First, although Reagan has on several occasions expressed in words that the United States is ready to relax its relations with the Soviet Union, the United States has made no concessions in deeds. In particular, it has deployed new guided missiles in Western Europe particular, it has deployed new guided missiles in Western Europe according to schedule, despite the fact that the Soviet Union has made repeated threats against it. This has left no room in the Soviet Union for change, and it has had to adopt a hard line. Second, the Soviet Union no longer has any hope for Reagan. Therefore, in an election year for the United States, the Soviet Union will not by any means do anything favorable to Reagan's race for a second presidential term. On the contrary, it will not let any opportunity slip to undermine Reagan's race for a second term. These two points are likely the basic starting point of Soviet policy on its relations with the United States. If we understand this background, we might not be so surprised at this setback for the Olympics.

Of course, centering on this incident are all kinds of commentaries. Those attacking the Soviet Union say that the Soviet action lacks sufficient grounds, whereas those in defense of the Soviet Union say that there actually are some anti-Soviet activities going on in the United States. Some say that the Soviet action has created difficulties for Reagan in his race for the presidency, while others hold that the result might have the opposite effect to the Soviet intention, giving unexpected support to Reagan. Despite the differences in the judgments on the dispute and in the estimations of the effects of the incident, there is one common thing -- namely, that the Soviet decision was a political action, indicating that U.S.-Soviet relations would become even colder and more strained. While people feel sorry for the setback to the Olympic Games, it is necessary for them to see farther, to pay close attention to the contention between the superpowers, and be ready to fight against their actions in sabotaging world peace.

RENMIN RIBAO VIEWS DANGER OF NUCLEAR WAR

HK180855 Beijing RENMIN RIBAO in Chinese 17 Jul 84 p 7

["Random Notes" by Tan Feng: "A 'Nuclear Winter' in the Heart"]

[Text] An American astronomer from Cornell University recently made a prediction in his study report that nuclear war might bring about a "nuclear winter."

He depicted a horrible scene after a nuclear war. He said: "Dense smoke billowing from burning cities will envelop the entire globe and keep sunlight from striking the earth and from bringing warmth to the earth." Then, even people who survive the nuclear war will die of starvation.

This depicts another disastrous effect of nuclear war for mankind. It also shows that sober-minded people are seriously considering how to prevent the outbreak of nuclear war.

However, after the prediction about a "nuclear winter" was made, some U.S. officials commented in a more forthright manner, declaring that "no matter whether a nuclear winter is an inevitable consequence or just a fantasy, the United States will not change its policy." By so saying they made it clear that the policy of running a nuclear arms race will never change despite whether this may lead to a "nuclear summer" or a "nuclear winter."

The quantity of nuclear weapons now in storage is so large as to be able to destroy the entire world "dozens of times over." Of these nuclear weapons, 95 percent or more are possessed by the two superpowers -- The United States and the Soviet Union. In order to contend for world hegemony, both are quickening their pace in the nuclear arms race rather than taking the lead to reduce their nuclear weapons. They have continued to upgrade the quality of and increase the quantity of their nuclear weapons. Under this severe situation, is there any use in "precisely and vividly" depicting the nuclear catastrophe by citing "scientific data?!" Will this change the minds of those people who are infatuated with hegemony?

The "nuclear winter" depicted by the scientist is indeed horrible, but more horrible is the fact that a "nuclear winter" really exists in the hearts of the strategists of the two superpowers; their schemes for outdoing the opponent in the arms race are as rigid as solid ice 3 feet thick, which will not easily melt. Perhaps the entire human race, including those nuclear strategists, will eventually have to experience the "nuclear winter," if they persist in continuing the nuclear arms race.

CORRECTION TO '5 PRINCIPLES' ARTICLE

The following correction is in reference to the item headlined "Forum on '5 Principles,' World Issues Held 18 Jul" published in the 19 July China DAILY REPORT, page A 2, second paragraph, line one: ...president of the Association for International Understanding, said: In handling...(correcting name of organization)

ZHAO BRIEFS DOAK BARNETT ON OPEN-DOOR POLICY

OW191614 Beijing XINHUA in English 1603 GMT 19 Jul 84

[Text] Beijing, July 19 (XINHUA) -- Chinese Premier Zhao Ziyang said here today that China's policy of opening to the rest of the world was not a short-term measure and could not easily be changed.

The premier was speaking at a meeting with Arthur Doak Barnett, senior fellow of the School of Advanced International Studies (SAIS) at the U.S. Johns Hopkins University. Zhao said the open-door policy was adopted after careful consideration of China's past experiences and of the international environment.

He answered Barnett's questions and briefed him on the formulation of China's policies of opening to the outside world, applying foreign capital, establishing joint ventures with foreign firms and setting up special economic zones, and the successful results of these policies. Only policies that could facilitate China's modernization, economic development and improve people's lives were good and correct. Other policies would be wrong.

He added: "Our present policies have achieved good results and won the support of the people."

Barnett, born in China in 1921, specializes in the study of China, particularly the Sino-U.S. relations. Present were Ma Hong, president of the Chinese Academy of Social Sciences, and Huang Xiang, director of the Center of International Studies under the State Council.

U.S. TRADE MISSION LEAVES FOR PRC VISIT

OW191853 Beijing XINHUA in English 1837 GMT 19 Jul 84

[Text] Washington, July 19 (XINHUA) -- A U.S. trade mission left here this morning for a visit to the People's Republic of China. The one-week visit of the U.S. trade mission is a result of U.S. President Ronald Reagan's China trip last April.

U.S. President Reagan, Vice President Bush and Secretary of Commerce Malcolm Baldrige received at the White House yesterday the trade mission consisting of a number of U.S. Government's trade officials and representatives from 10 U.S. aerospace firms.

Baldrige said in a statement that "this presidential trade mission expresses President Reagan's commitment to increase trade and understanding with the People's Republic of China." "Trade benefits both countries," he said, "and it strengthens the historic ties of friendship and understanding between us."

The mission is led by four co-leaders: Assistant to the President Craig Fuller, Vice-Chairman of the President's Export Council Anna Chennault, Deputy Under Secretary of Commerce Olin Wethington, and Assistant Secretary of Commerce H.P. Goldfield.

ZHI GONG DANG DELEGATION ARRIVES IN NEW YORK

OW190933 Beijing XINHUA Domestic Service in Chinese 1304 GMT 17 Jul 84

[By reporters Wen Shuxian and Li Shixing]

[Text] New York, 16 Jul (XINHUA) -- The delegation of China's Zhi Gong Dang led by Huang Dingchen, chairman of the party's Central Committee, ended its visit to Canada and arrived in New York this afternoon.

The delegation was greeted at the airport by responsible persons of the Chinese Freemasons of the United States and the Zhi Gong Tang [5268 0361 1016] of New York. Ji Lide, vice consul general of China's Consulate General in New York, was also at the airport to welcome the delegation.

Wu Changming, chairman of the Chinese Freemasons of the United States, and Li Jun, chairman of the Zhi Gong Tang of New York, hosted a banquet in honor of the delegation this evening.

The four-member delegation is the first from China's Zhi Gong Dang to visit the United States. Delegation leader Huang Dingchen told XINHUA reporters at the airport that America is the place of origin for China's Zhi Gong Dang. In October 1925 the Chinese Freemasons of America held a meeting in San Francisco and decided to establish China's Zhi Gong Dang. He said: The purpose of this visit to the United States is "to call on our brothers of the Chinese Freemasons" and meet old and new friends. Hopefully this visit will help to promote understanding, friendship, and unity.

XINHUA NOTES NOMINATION OF MONDALE FOR PRESIDENT

OW191226 Beijing XINHUA in English 1204 GMT 19 Jul 84

[Text] San Francisco, July 18 (XINHUA) -- Walter Mondale was nominated by the Democratic National Convention here this evening the presidential nominee of the party in the 1984 general elections.

He won the nomination in the first ballot by a majority of 2,191 votes from 3,933 delegates attending the convention. 1,967 votes are needed for the nomination. The other two contenders, Gary Hart and Jesse Jackson, got 1,200.5 and 465.5 votes respectively.

Mondale will make his acceptance speech tomorrow afternoon, after the convention ratifies his choice of Geraldine Ferraro as vice-presidential nominee.

Since the convention opened on Monday, Hart forces have made a last-ditch effort to convince wavering and uncommitted delegates that Hart stood a better chance than Mondale of unseating Ronald Reagan in November. Hart said, at the convention today, "We will never give up.... If not now, someday, we will prevail." Observers here generally interpreted these remarks as an indication that he intends to run in the 1988 presidential campaign.

Hart also said, "Whatever the outcome of your decision", he will devote himself to the defeat of President Reagan.

Jesse Jackson had also proclaimed Tuesday evening that he would support the nominee if this convention could show to the American voters the party is united, at least, in appearance.

Jackson's speech was warmly acclaimed at the convention and by all factions of the party. A commentator wrote on NATIONAL daily of the convention, this morning, "Jesse Jackson may run a distant third in the balloting tonight," but he "has established himself as a political force that neither Walter Mondale nor President Reagan can ignore."

For the observers at the convention hall, it is apparent that during the past three days, the supporters of Hart and Jackson showed much greater enthusiasm than the Mondale followers. Only at the end of tonight's session, when the final result of the ballot was proclaimed, the Mondale supporters expressed their joys by long-time cheers and applauses.

PRC FLAG RAISED AT UCLA OLYMPIC VILLAGE

0W180100 Beijing XINHUA in English 0045 GMT 18 Jul 84

[Text] Los Angeles, July 17 (XINHUA) -- The Chinese national flag was hoisted at a ceremony in the UCLA Olympic Village here this morning to welcome the Chinese sports delegation.

The ceremony was held in the campus of the University of California in Los Angeles at 10:10 hours this morning. Amidst the Chinese national anthem, Song Xiaopo, Chinese woman basketballer, representing the Chinese sports delegation, hoisted the five-star Chinese national flag.

It was the first time that China sent a large sports delegation to the summer Olympic Games in more than 30 years and it was also the first national flag raised at the UCLA Village.

Jim Easton, UCLA Village mayor, extended in his speech his welcome as mayor of the village for all of the athletes and officials of the Chinese sports delegation and hoped the Chinese athletes success in the coming Olympic Games.

Chen Xian, deputy chief of the Chinese delegation, expressed his thanks on behalf of the delegation for the hospitality accorded to them by the mayor and the Organizing Committee of the 23d Olympic Games.

Chinese consul general in Los Angeles Tang Shubai and representatives of the Chinese residents and students in the U.S. also spoke at the ceremony.

The Chinese sports delegation arrived here yesterday and will live along with about 4000 athletes from other 61 countries and regions in the UCLA village, one of the three Olympic Villages during the Olympic Games.

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PRC INTERNATIONAL AFFAIRS
NORTHEAST ASIA

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WU XUEQIAN MEETS MPR FOREIGN MINISTRY OFFICIAL

OW191626 Beijing XINHUA Domestic Service in Chinese 1413 GMT 19 Jul 84

[Text] Beijing, 19 Jul (XINHUA) -- Chinese Foreign Minister Wu Xueqian said today there were "broad prospects" for relations between China and Mongolia to be developed if both sides were guided by the Five Principles of Peaceful Coexistence.

The minister and state councillor was speaking at a meeting with a delegation led by D. Yondon, first vice minister of foreign affairs of the People's Republic of Mongolia at the State Guesthouse here today. Wu said the Chinese Government would continue to strictly abide by the Five Principles of Peaceful Coexistence, and was willing to develop develop economic, trading, technical and cultural relations with Mongolia.

Yondon conveyed the greetings of Mongolian Foreign Minister Mangalyn Dugersuren to his Chinese counterpart. He said Mongolia also wished to develop relations and promote border trade and cultural exchanges with China on the basis of the Five Principles.

Speaking of the first joint examination of the Sino-Mongolian border, completed recently, Yondon said it was a peaceful and friendly border. Mongolia thought highly of the co-operative spirit of the Chinese in the joint survey. Wu agreed that 4,600 kilometer-long border was friendly. It was greatly significant that the survey had been completed in two-and-a-half years, he said.

After the meeting, Han Xu, Chinese vice foreign minister, and Yondon, on behalf of their respective governments signed a protocol on the first joint survey of the border between the Government of the People's Republic of China and the Government of the Mongolian People's Republic and the maps attached to it. Wu Xueqian attended the signing ceremony.

JAPAN'S ABE MEETS ZHANG JINGFU 19 JUL

OW191524 Beijing XINHUA in English 1509 GMT 19 Jul 84

[Text] Tokyo, July 19 (XINHUA) -- Japanese Foreign Minister Shintaro Abe said today that a further strengthening of the economic and technical exchanges between Japan and China would not only be beneficial to the two countries but also to Asia and the rest of the world.

Abe said this in his meeting with visiting Chinese State Councillor and Minister in Charge of the State Economic Commission Zhang Jingfu.

After Zhang Jingfu's explanation of the objective of his current visit which was to discuss and probe with both the government and the private sector of Japan the ways of upgrading the relations of economic and technical cooperation of the two countries to the same level as their existing friendly political relations. Abe said China's economy had achieved successes, especially in rural areas which proved the policy of opening to the outside world pursued by China is correct. He said Japan is ready to extend positive cooperation with China in the latter's modernization drive.

Japanese Finance Minister Noboru Takeshita also met Zhang Jingfu this morning. He predicted that Japan would steadily increase its direct investment in China, which he hoped would be helpful to China's economic development.

WANG ZHEN MEETS JAPANESE PACKAGING COMPANY HEAD

OW191120 Beijing XINHUA in English 1034 GMT 19 Jul 84

[Text] Beijing, July 19 (XINHUA) -- Wang Zhen, honorary president of the China-Japan Friendship Association, met here this afternoon with Masanori Hayashi, general manager of the Japan Packaging and Transport Corporation, and his party.

Wang Zhen had visited the corporation during his visit to Japan last April. Wang Zhen praised the Japanese Visitors for their efforts to promote Sino-Japanese friendship.

COMMITTEE ON SINO-JAPANESE FRIENDSHIP MEETS

OW191357 Beijing XINHUA Domestic Service in Chinese 1646 GMT 17 Jul 84

[Text] Beijing, 17 Jul (XINHUA) -- The Chinese committee of the Committee for Sino-Japanese Friendship in the 21st Century held a meeting on the morning of 17 July. Wang Zhaoguo, chief member of the Chinese committee, presided over the meeting to discuss preparations for the first meeting of the Committee for Sino-Japanese Friendship in the 21st Century to be held in Tokyo this fall.

The meeting held that the current development of Sino-Japanese relations will certainly create better and more solid foundations for Sino-Japanese friendship in the 21st century. The upcoming festival in our country between 3,000 Chinese and Japanese youths will further enhance the friendship between the young people of the two countries. The meeting believed that the first meeting of the Committee for Sino-Japanese Friendship in the 21st Century scheduled to be held in Tokyo this fall will have a wide-ranging exchange of views concerning ways to further develop Sino-Japanese friendship in the 21st century. The members of the Chinese committee pledged to work with their Japanese counterparts in making the upcoming meeting a big success.

Experts from departments concerned and research institutes attended the meeting as observers.

NI ZHIFU MEETS DPRK TRADE UNION DELEGATIONS

OW191324 Beijing XINHUA in English 1311 GMT 19 Jul 84

[Text] Beijing, July 19 (XINHUA) -- Ni Zhifu, president of the All-China Federation of Trade Unions, met here today with a delegation from the Pyongyang Municipal Committee of the General Federation of Trade Unions led by Yi Su-hyon, chairman of the committee.

Ni is also a member of the Political Bureau of the Chinese Communist Party Central Committee. Kim Chan-ku, charged d'affaires ad interim of the Embassy of the Democratic People's Republic of Korea, was present on the occasion.

PRC AMBASSADOR TO DPRK FETES LIAONING ENSEMBLE

OW191337 Beijing XINHUA Domestic Service in Chinese 1640 GMT 17 Jul 84

[By reporter Gao Haorong]

[Text] Pyongyang, 17 Jul (XINHUA) -- Zong Kewen, Chinese ambassador to Korea, hosted a farewell banquet for the Liaoning Song and Dance Ensemble at Ongnyugwan in Pyongyang this evening to thank the Korean party, government and audience for their warm welcome and hospitality for the ensemble.

Attending the banquet were Kim Hwan, member of the KWP Political Bureau and vice premier of the State Administration Council, as well as responsible persons of other departments concerned of Korea.

Zhang Zhiyuan, leader of the Liaoning Song and Dance Ensemble, and Chang Chol, Korean vice minister of culture and art, spoke at the banquet, wishing for further development of friendship between the peoples and the literary and art workers of the two countries. The banquet was filled with a warm and friendly atmosphere.

Since its arrival in Korea on 22 Jun. the Liaoning Song and Dance Ensemble has performed the mythical dance drama "Zhenzhuhu" [Pearl Lake] and other song and dance programs in Pyongyang, Wonsan, Hamhung, and Kaesong. Korean audiences in all places warmly received and favorable commented on the ensemble's performances. By 16 July it had staged 13 performances of "Zhenzhuhu" and 10 song and dance shows which were seen by 110,000 people. On 18 July the ensemble will continue its performance in Korea's border city of Sinuiju, after which it will leave for home.

PRC OCEANOGRAPHIC DELEGATION LEAVES FOR DPRK

OW181243 Beijing XINHUA in English 1226 GMT 18 Jul 84

[Text] Beijing, July 18 (XINHUA) -- A six-member Chinese oceanographic delegation, led by Luo Yuru, director general of the State Bureau of Oceanography, left here today to visit Korea.

They have been invited by the State Hydrometeorological Service of the Democratic People's Republic of Korea. The delegation will visit marine research institutes and discuss the exchange of marine technology with their Korean counterparts.

TIAN JIYUN MEETS CSSR BANKER, DELEGATION

OW191230 Beijing XINHUA in English 1130 GMT 19 Jul 84

[Text] Beijing, July 19 (XINHUA) -- Chinese Vice-Premier Tian Jiyun met with Josef Malat, vice-president of the Foreign Trade Bank of Czechoslovakia, and his party here this afternoon.

The two sides hoped for further development of economic and technical cooperation as well as banking and trade relations between the two countries.

POLISH LIBERATION ANNIVERSARY OBSERVED IN BEIJING

OW191532 Beijing XINHUA in English 1503 GMT 19 Jul 84

[Text] Beijing, July 19 (XINHUA) -- The Chinese People's Association for Friendship With Foreign Countries and the China-Poland Friendship Association held a reception here today to celebrate the 40th anniversary of Poland's liberation.

Present were Han Xianchu, vice-chairman of the National People's Congress Standing Committee; Zhou Peiyuan, vice-chairman of the Chinese People's Political Consultative Conference National Committee and president of the China-Poland Friendship Association; Gao Yangwen, minister of coal industry; Qian Qichen, vice-minister of foreign affairs; and Yang Chunmao and Mi Yong, vice-presidents of the China-Poland Friendship Association. Polish Ambassador to China Wladyslaw Wojtasik, Mrs Wojtasik and other Polish comrades in Beijing also attended.

Wang Bingnan, president of the Chinese People's Association for Friendship With Foreign Countries, presided over the reception.

Zhou Peiyuan, in his speech, said that there existed a broad prospect for friendly co-operation between China and Poland. He hoped the people of the two countries would further strengthen ties in their socialist construction and work together to safeguard world peace.

Mr Wojtasik said Poland attached great importance to co-operation with China. His government and people spoke highly of China's understanding and support during the difficult period between 1980 and 1983. He noted there had been a comprehensive development in bilateral relations and co-operation in the past few years. Chinese singers and the visiting Polish woman pianist, Bronislawa Kawalla, gave performances at the reception. Also today, the Shanghai branch of the Chinese People's Association for Friendship With Foreign Countries held a film reception to mark the anniversary. A Polish feature film was shown.

POLAND'S URBAN CITED ON DIALOGUE WITH PRC

OW180514 Beijing XINHUA in English 0247 GMT 18 Jul 84

[Text] Warsaw July 17 (XINHUA) -- Polish Government spokesman Jerzy Urban today stressed that "an active development of relations between Poland and China is in accordance with Polish Government policies to strive for dialogue and cooperation with all countries."

He told reporters here today that he was satisfied with the recent improvement of Poland-China relations.

The recent visit to China by Polish Vice Foreign Minister E. Kucza is, he said, a continuation of the dialogue between the two countries initiated last October in New York by Polish Foreign Minister Stefan Olszowski and his Chinese counterpart Wu Xueqian.

The talks between Kucza and Chinese Deputy Foreign Minister Qian Qichen show that Poland and China are increasingly interested in more contact and are both eager to cooperate in various fields, he added.

LI DESHENG RECEIVES YUGOSLAV DEFENSE DELEGATION

SK200117 Shenyang LIAONING RIBAO in Chinese 3 Jul 84 p 1

[Text] Accompanied by Xu Mingzhen, deputy director of the General Office under the National Defense Science, Technology, and Industry Commission, a five-member delegation of the People's Army of Yugoslavia arrived in Shenyang by special plane on the morning of 30 June. The delegation was headed by General Kadijevic, assistant minister of national defense for military and economic affairs. Meeting the delegation at the airport were Gao Ke, deputy commander of the Shenyang Military Region; Cao Shuangming, commander of the Air Force of the Shenyang PLA units; and responsible persons from departments concerned.

On the evening of 30 June, Commander Li Desheng received and feted the guests.

FURTHER ON ACTIVITIES OF MOZAMBICAN PRESIDENT

Tours PLA Academy, Suburbs

OW191326 Beijing XINHUA in English 1313 GMT 19 Jul 84

[Text] Beijing, July 19 (XINHUA) -- Marshal Samora Moises Machel, chairman of the Frelimo Party and president of the People's Republic of Mozambique, and his official tour party today visited a rural community in Beijing's south-western suburbs.

The community in Fengtai District, called the Huangtugang Joint Corporation of Agriculture, Industry and Commerce, was established last year. It specializes in growing vegetables, but also carries out animal husbandry, commerce and flower and grass planting.

The Mozambique guests, in the company of Li Dongye, Chinese minister of metallurgical industry, visited with great interest the corporation's vegetable fields and workers' families.

After the visit, the president invited the corporation to exchange ideas and technical knowledge with Mozambique agricultural organizations. Earlier, the party visited the Military Academy of the Chinese People's Liberation Army here.

Cooperation Agreement Signed

OW200750 Beijing XINHUA in English 0630 GMT 20 Jul 84

[Text] Beijing, July 20 (XINHUA) -- An agreement on economic and technical cooperation between the governments of China and Mozambique was signed here this morning.

Chinese President Li Xianian and Mozambican President Samora Moises Machel, who is also chairman of the Frelimo Party, attended the signing ceremony. The agreement was signed by Lu Xuejian, Chinese vice-minister of foreign economic relations and trade, and Joaquim Ribeiro de Carvalho, Mozambican minister of foreign trade.

In a cordial conversation that followed, Samora said, "My visit is very fruitful although it is short." Li responded, "China-Mozambique relations have stood tests. Your visit has consolidated and promoted these relations."

Samora promised to bring back to the Mozambican people the fraternal hospitality of the Chinese people as well as his satisfaction over the result of this visit. Later, the Mozambican guests left for Hangzhou by air in the company of Chinese Minister of Metallurgical Industry Li Dongye.

CPC DELEGATION LEAVES FOR BURUNDI 20 JUL

OW200826 Beijing XINHUA in English 0813 GMT 20 Jul 84

[Text] Beijing, July 20 (XINHUA) -- A delegation of the Chinese Communist Party left here this morning for Burundi to attend the Second National Congress of the Party of Unity and National Progress of Burundi. Leader of the delegation is Huang Zhizhen, member of the CPC Central Committee, deputy secretary of the CPC Hubei Provincial Committee and governor of Hubei Province.

FURTHER ON VISIT BY GUYANESE DELEGATION

Li Xiannian, Ramsaroop Talk

OW191118 Beijing XINHUA in English 1030 GMT 19 Jul 84

[Text] Beijing, July 19 (XINHUA) -- Chinese President Li Xiannian met with a delegation from the People's National Congress (PNC) of Guyana in the Great Hall of the People here this afternoon. The delegation is led by Bishwaishwar Ramsaroop, member of the PNC Central Executive Committee and Guyanese vice-president.

During their friendly conversation, Li Xiannian who is also a Standing Committee member of the Political Bureau of the Central Committee of the Communist Party of China, said, "We are old friends who know each other very well. The basic guideline of China's foreign policy is independence. We hope to develop relations with other countries on the basis of the Five Principles of Peaceful Coexistence. Our relations with Guyana are very good." Ramsaroop said, "We hope to develop friendly relations and cooperation with China on the basis of the principles of equality and mutual benefit."

Li Xiannian and Ramsaroop also exchanged views on international issues of common concern. Present at the meeting were Qian Liren, head of the International Liaison Department of the CPC Central Committee, and A. Altaf Mohamed, Guyanese ambassador to China.

Envoy Hosts Reception

OW191630 Beijing XINHUA in English 1607 GMT 19 Jul 84

[Text] Beijing, July 19 (XINHUA) -- A. Altaf Mohamed, Guyanese ambassador to China and Mrs Farida Mohamed gave a reception here this evening on the occasion of the visit of the delegation from the People's National Congress of Guyana.

Present were Huang Hua, member of the Chinese Communist Party Central Committee and vice-chairman of the National People's Congress Standing Committee, and Zhu Liang, deputy head of the International Liaison Department of the CPC Central Committee.

Wang Bingnan, president of the Chinese People's Association for Friendship With Foreign Countries, held a luncheon for the delegation today.

The delegation will leave here tomorrow for a visit to Xian, Guangzhou, Shenzhen, Nanjing and Shanghai.

TRADE UNIONS GREET NICARAGUA ON REVOLUTION DAY

OW181247 Beijing XINHUA in English 1217 GMT 18 Jul 84

[Text] Beijing, July 18 (XINHUA) -- The All-China Federation of Trade Unions today sent messages of congratulations to Nicaragua's Sandinist Congress of Workers and the Coordinating Committee of Trade Unions on the fifth anniversary of the Nicaraguan revolution. The messages said the Chinese trade unions heartily wish Nicaragua new successes in maintaining the national sovereignty and independence, rehabilitating and developing the national economy, improving the living standards, opposing imperialist intervention and seeking a peaceful solution to the disputes in Central America.

The messages expressed support for the just stand of the Contadora Group and Latin American trade union movement in upholding the principles of self-determination and non-intervention, easing tensions in Central America and opposing external aggression.

The messages said the Chinese workers will always stand by the side of the Nicaraguan people in the common struggle for world peace and social progress.

CHINESE MUSICIANS END 7-WEEK CANADIAN TOUR

OW181956 Beijing XINHUA in English 1942 GMT 18 Jul 84

[Text] Ottawa, July 18 (XINHUA) -- A musician group from China's Shanghai Conservatory headed by leading pianist Li Mingqiang left here for home this afternoon after a seven-week tour in Canada.

The Chinese musicians toured Canada as part of an official cultural exchange program between China and Canada. They visited 23 cities and about 140,000 people watched their performances.

They attended the Toronto International Festival, the largest music and dance festival ever held in Canada, and also gave performances to local Chinese communities in some small cities. Wherever they went, the Chinese musicians were warmly received by the hosts and appreciated by the audience.

Some Canadian papers commented that the classical and modern Chinese music played by the Chinese musicians with traditional Chinese musical instruments had opened the eyes of those music lovers who were fed up with the Western popular music and enabled the Canadian audience to acquire better knowledge and understanding of the longstanding Chinese culture, especially the Chinese music which is not familiar to the Canadian people.

GUANGMING RIBAO DISCUSSES CADRE SYSTEM REFORM

HK191345 Beijing GUANGMING RIBAO in Chinese 14 Jul 84 p 3

[Article by Jin Wen: "Target Management Is the Point of Breakthrough in Reforming the Leading Cadre System"]

[Text] Editor's note: The reform in the cadre administration system is an important aspect of the structural reform at present. This article proposes some new, tentative ideas on the reform of the cadre system. We have published it here for your study and discussion. [end editor's note]

In order to overcome the malpractices in the leading cadre system, it is imperative to implement "target management." In a certain period of time, a locality, a department, a unit, or an enterprise will propose its development target, which is of course based on the advantages and restrictions conditioned by the overall environmental situation and the microstructure, one which can be fulfilled through utmost efforts, or through competition. Such a development target is anything but vague, it is not some "easy task" which is flexibly achieved, but formed with standards which are explicit, quantitative, and with a definite time limit. Those who are talented, bold in vision, full of drive, and considered able to fulfill the "development target," can all be nominated as candidates in the preliminary election, of them, the one who is best qualified is the "ideal person". Those people who are not qualified to meet the requirements of fulfilling the "development target" will be dropped; and those who have failed to fulfill their "development targets" will be "kicked out." Those who are able to satisfactorily fulfill the "development target" of a locality or unit should be invited to the leading posts even if they are a thousand miles away, whereas we can refuse the employment of those who are incompetent even if they are right under our noses. "Target management" can also be said to be "fixing the production target on the basis of sales," but not vice versa. "Fixing sales on the basis of production" will inevitably lead to the malpractice of overlapping departments and overstaffing.

"Target Management" Will Produce Talented People and High Efficiency; There Will Be "Heavy Tasks" But "No Easy Job" on One's Post

Not only does "target management" "unite the rope" on talented people, but in essence it is also a great emancipation for them. In the past we focused our attention on the "person" rather than the "matter," nor did we focus on fulfilling the set "target" in providing cadres. And "people" can be so complicated. The person who has been selected has both merits and shortcomings, with his feats and mistakes coexisting. And their temperament and individuality differ. The appraisal of other people (namely, "the comrades' opinions" in the usual way of speaking) of the person elected is derived from different purposes, angles, and levels of understanding; inevitably opinions vary, and people's requirements can be very fastidious. There have been many "criteria" put down in black and white, nevertheless, when we come to select the specific "person," personal preference can hardly be avoided, and there are more appendant "criteria" which are unwritten. As a result, the requirements can be so high and specific that very few talented people who are able to "fulfill" the target are elected to the posts, if ever. "Target management" focuses on the "fulfillment" of the set target, but not on the "perfection" of the individual person. We can even say that under the prerequisite of the persistence in the four basic principles, within the sphere of the restriction of the law (cadres who are CPC members should also be restricted by the "CPC Constitution") a good cat is one that catches the rat, whether it is a white cat or a black cat. He who can best fulfill the "target" is most eligible to become the leader and the administrator. Here, we should not demand perfection of people, we should not pursue unnecessary and overelaborate formalities and ranking of people according to seniority.

All talented people should have an equal opportunity to enter the leadership stratum, whereas all people who do not fit in the work in the leadership stratum should be equally treated with retirement from the leadership stratum. Only then will there be an unlimited space for the activities of talented people, and real talent not be stifled.

If "target management" is not to be implemented, the malpractice of "important posts" without "heavy tasks" will continue to exist in many places, where those on the posts are "shouldering heavy burden" in name only are in reality "shouldering light burden" or "no burden at all." Without the strict requirements of a set "target", there will be no "pressure" to speak of. Hence, the phenomena of being sated with food while remaining idle, bureaucratism, and putting on airs exists. Some people have become "officials" for a few years running, but few achievements have been made during their term in office; however, they maintain their "officialdom" all the same and, they will even be promoted when they are transferred to a new office. To a member of a leading body, it would not be very difficult for any one them to retain of his post when only "light tasks" are involved, thus the posts are often vied for. As a result, the mediocre and the incompetent will be in office, and within the leading body there are endless arguments over trifles, and never-ending "civil war;" whereas some people who are strong in party spirit and earnest to serve the motherland find it very difficult to achieve anything even if they aim high. Thus, low efficiency is inevitable. With the implementation of "target management", regarding the leading member personally, there will be "heavy tasks," but no "easy job" on the post; he is genuinely "shouldering a substantial burden", but never an "empty" one; "motive force" is derived from "pressure", one has to use his brain and his hands, be diligent and a man of action to fulfill the target. To a leading collective, "target" means "heavy tasks" and "pressure"; only those people who are exceptionally talented dare to meet the challenge. With appropriate organizational measures, a "leading body" will be constituted of talented people of various descriptions who are ambitious as determined by the "target", which is served and subjected to by every member of the leading body and there will be little argument over trifles, internal frictions, or backbiting, while efficiency will be greatly enhanced on the whole.

"Target Management" Can Have More Channels, Fewer Links, and Open More Roads for Talented People

There should be more channels for the selection and recommendation of the wise and able, while there should be various forms in the appointment of cadres. "Multi-channels" signifies that the selection and recommendation of the wise and able should not be monopolized by the organizational departments of the party committees at various levels, whereas some civilian or semi-governmental organs providing advisory service in the exploration and exchange of talented people can be established to recommend talented people to party and government departments and enterprises. In this way, those people who are strong in leadership and management may bring their talents into play, and "if their talents are neglected in one place, they can still be fully employed in another." "Multi-channels" also signifies various ways and means of employment, such as the electoral system, appointment system, cabinet system, the system of invitation to the post, through self-recommendation and classified ads, and a different channel may be applied to a different matter or a different post, while there is no need to stick to one solution. As long as we take a firm grasp of the "target," there is nothing to worry about. Take the cabinet system, it was originally regarded as something belonging to the bourgeoisie, later, it was regarded as being liable to form factionalism, which is to be feared. In reality, the cabinet system does not belong to any one class, and it may serve different classes, and different political ends. In our localities and enterprises, the cabinet system can easily become a vehicle for factionalism if "target management" is not implemented. This is because, under such condition in which there is neither "target" nor "pressure", if the "director" of an organization is to form a cabinet, he can appoint people by favoritism or factionalism, relying on the forces thus formed to safeguard his status quo and the personal interests of a small group.

Whereas, as "target management" involves a "target" and "pressure," the director must select and appoint some strong people as his assistants, who will work in harmony in the commanding system. Thus, only by appointing people according to their political integrity and ability will he be able to attain the "target," which is never accessible to those who rely on their "favorites" and "factions." Therefore it is not an exaggeration to say that "target management" is at once a great concentrating power for talented people and an effective remedy for relegating factionalism. With "target management," self-recommendation, answering classified ads, and accepting an invitation to a post are not in any sense "wanting to become officials," but "daring to shoulder heavy tasks."

The fulfillment of the "target" in "target management" has a definite limit. Therefore, there is also a definite time limit for the examination of a leader's ability. And the implementation of the professional titles in "target management" has become specific. Those people who are able to fulfill the set target of one's own locality, department, enterprise, or unit can be regarded as worthy of their professional titles; or else, no matter how able they are, they cannot be regarded as worthy of their professional titles in the unit they are currently serving. Those who are up to their job may take a second office on their posts, otherwise they will have to be removed from their posts. Under "target management," "those who are on stage must perform." He must exert his entire efforts, bring all of his skill into play so that he might be able to achieve the "target." Generally speaking, two successive terms of office, at most three, will drain one of all his energy, and render him unfit for another term of office. Therefore, "target management" is capable of doing away with the "lifetime system."

To make it short, "target management" is a ruthless separator and a regulator. First, it is capable of separating talented people from the mediocre and the incompetent; while among those talented people who are suitable for leadership, a difference should be made between those eligible to be "marshals" and those eligible to be "generals." Through a series of incessant selections, we will always make all the "marshals" and "generals" of our party and nation work on the leading posts suitable to each of them, so that our work may be carried on with powerful command and high efficiency. I hold that this is the point of breakthrough in reforming the leading cadre system.

ZHONGGUO XINWEN SHE COMMENTS ON CADRE REFORM

HK200658 Beijing ZHONGGUO XINWEN SHE in Chinese 0238 GMT 20 Jul 84

[**Commentary: 'CPC Reforms Cadre Administration System'** -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 29 Jul (ZHONGGUO XINWEN SHE) -- Beginning 1 August this year, China will administer its cadres at all levels on the basis of a new system. The core of the new administration system is the transfer of personnel rights to lower levels, with a narrower sphere in administration, aiming at a better job and more flexibility in administration, and its purpose is to provide organizational insurance for economic reform and invigoration.

The decision on this important reform of China's cadre administration system has been recently made by the CPC Central Committee Secretariat.

Over a long period of time China has implemented a highly centralized system in the administration of cadres. A few years ago, when the party's work shifted to socialist modernization, Deng Xiaoping pointed out: The overconcentration of power has been a significant malpractice in the leadership structure and cadre system of the party and state.

In recent years, with economic structural reform and reform in all aspects developing with an attractive momentum, the problems in cadre work have proved Deng Xiaoping's above remarks true with each passing day. For example, the distribution and structure of personnel of various categories are irrational, yet it is impossible to have cadres transferred from one department to another, and it is also very difficult to promote or to demote cadres. Many localities and units have not made a distinction between the merits and mistakes of cadres, there is no criteria for awards or penalties, and it makes no difference whether a cadre is good or bad; a large number of fine, talented people can hardly be promptly discovered and rationally employed...and so on.

With the implementation of the new cadre administration system, the central administration will take care of the major leading cadres at the level immediately below it. Generally, these are cadres above and including the level of vice ministers and vice governors, and major leading cadres of large enterprises, large scientific research units, and key universities and colleges which have an important bearing on the four modernizations. Regarding the number of cadres, those in the central administration's charge will be reduced by one-third. This will be advantageous to enforcing the responsibilities of the provinces, regions, and municipalities; the institutional departments and committees under the CPC Central Committee and the State Council; and the various departments at all levels of the administration of cadres in advancing the reform of the various cadre systems, in breaking up resistance to selecting and promoting fine, younger, and exceptional cadres, and in accelerating up the pace in building the cadre contingent.

The CPC Central Committee Secretariat requires the party committees of all localities to do a good job in that part of cadre administration under their jurisdiction. It is necessary that they should further broaden their view, to discover talented people in breadth, and to select and promote those fine, younger cadres who are politically satisfactory, are better educated, full of drive and the spirit of reform, and are able to create a new situation.

Today's RENMIN RIBAO carries an editorial on the implementation of the new cadre administration system. On the question of whether the new cadre administration will lead to appointing people by favoritism and factionalism, the editorial holds that the administration system of the past with a large sphere and many layers was liable to cause mistakes in appointing people and provided opportunities for appointing people by favoritism and factionalism because it was actually impossible to do a good job in administration under that system. Whereas with the implementation of the new administration system, organizations at all levels can enhance their examination, understanding and supervision of cadres, while the incidence of improperly appointing people will be reduced; even if problems crop up, they will be promptly discovered and solved.

STATE COUNCIL ISSUES NOTICE ON PROFIT DELIVERY

OW191351 Beijing XINHUA Domestic Service in Chinese 1251 GMT 18 Jul 84

[Text] Beijing, 18 Jul (XINHUA) -- The State Council has recently decided that in the second step to carry out the reform of changing to the substitution of tax payments for profit delivery throughout the country beginning 1 October this year, all localities and departments should no longer approve the practice of contracted responsibility for turning over profits at a progressive rate among enterprises. They should all switch to tax payments.

Regarding this matter, on 13 July the State Council General Office issued a special notice outlining the following regulations for handling, in accordance with the specific conditions of each case, enterprises that have been approved to practice the contracted responsibility for turning over profits at a progressive rate:

1. Enterprises that have been approved by the State Council, the State Economic Commission or the Finance Ministry to try out the practice of contracted responsibility for turning over profits at a progressive rate should switch from profit delivery to tax payments when the term of the contract expires. Those with a contract still in effect after 1 October can continue the practice until it expires and then switch to tax payments.
2. Enterprises that have been approved by the people's governments in all provinces, autonomous regions and municipalities to try out the practice should come under review all at once. Those with a contract that has already expired should switch from profit delivery to tax payments. With the approval of the State Economic Commission and the Finance Ministry, those with a contract still in effect can continue the practice and make the switch after the contract expires, provided that good results have been obtained and that a rational relationship has been maintained between the state and the enterprise in financial distribution. An enterprise which has failed to maintain a rational relationship with the state in financial distribution and received different views regarding its actual results in trying out the practice should switch to tax payments as soon as possible.
3. Enterprises that have been approved by the people's government, at prefectural, and county levels to practice the contracted responsibility for turning over profits at a progressive rate should, without exception, switch to tax payments.
4. Enterprises that have been approved to continue to try out the practice should, beginning from the fourth quarter of this year, pay the product tax, value-added tax, business tax and resources tax according to new tax regulations.

DISCIPLINE COMMISSION CIRCULAR ON MURDER CASE

OW190849 Beijing XINHUA Domestic Service in Chinese 0830 GMT 17 Jul 84

[Text] Beijing, 17 Jul (XINHUA) -- The Central Discipline Inspection Commission recently issued a circular calling for party committees and discipline inspection commissions at all levels to resolutely support discipline inspection cadres in combating acts which violate the law and discipline. The circular says: Because of his upholding principle and daring to struggle, Che Zhaofu, member of the Discipline Inspection Commission of the Sichuan rubber plant, was murdered in cold blood on 19 December 1982. This is an extremely serious case in which retaliation was taken against a discipline inspection cadre of the party and he was murdered. Paying great attention to this case, the Central Discipline Inspection Commission and the Sichuan Provincial CPC Committee's Discipline Inspection Committee sent a joint team to investigate. The criminal was put to death in accordance with the law last year, and his parents were also dealt with according to party discipline and state law because they had gone here and there to plead for their son. Party-member cadres who had erred in handling this case were also dealt with in different ways. The Sichuan rubber plant party committee confirmed Comrade Che Zhaofu posthumously as an exemplary communist and model cadre in recognition of his outstanding deeds and his heroic actions against evildoers and evil deeds. The Sichuan provincial government conferred the title of revolutionary martyr on him. The Discipline Inspection Commission of the Sichuan Provincial CPC Committee issued a circular calling for learning from Comrade Che Zhaofu. The circular points out: All this is absolutely necessary for guarding the sanctity of party discipline and state law, supporting discipline inspection cadres in work, exterminating evils, publicizing good deeds, encouraging healthy trends and checking unhealthy ones.

The circular points out: The unshirkable, sacred duty of discipline inspection cadres is to rectify party style and enforce party discipline. In performing this duty and waging a struggle against violations of the law and discipline and unhealthy trends, it is hard for them to avoid difficulties and obstructions and they may even have to take risks and pay a price.

Although Comrade Che Zhaofu was a discipline inspection cadre of a basic unit, he was deeply conscious of the righteousness of a cause, conscientiously performed his duty, had a sense of awe-inspiring righteousness, and never retreated at a critical moment, thus giving expression to the noble thinking and character of a communist and discipline inspection cadre and the principle of strong party spirit. In learning from Comrade Che Zhaofu, we should first learn from his spirit of being selfless and dauntless and daring to struggle.

The circular says: Comrade Che Zhaofu was murdered in cold blood, which of course was attributed to the criminal's savage and cruel retaliation. However, the serious laxity and weakness of the Sichuan rubber plant party committee had a direct bearing on this. Putting fear before everything else, the party committee failed to deal with the serious state of the lack of discipline and disorganization in the plant and failed to discipline those involved. Beating, murder, and other cases occurred in the plant, but the party committee failed to seriously investigate the cases, to thrash out the rights and the wrongs, and severely deal with them. Particularly when the criminal threatened to kill Che Zhaofu and Che's family asked the party committee to protect their personal safety, the party committee flagrantly regarded it as an ordinary quarrel or dispute and was perfunctory in dealing with this serious matter. Evading responsibility by excuse from level to level and being extremely irresponsible, the party committee took no preventive measures. All such wrong actions which were excessively accommodating to violators of the law and discipline and left evil unchecked undoubtedly encouraged their arrogance objectively. As a result, a lawless element openly killed a person. The circular points out: The murder case of Comrade Che Zhaofu was handled according to party discipline and state law. This case shows once again that the struggle against unhealthy trends, evil practices, and violations of the law and discipline is a serious one. Party committees and discipline inspection commissions at all levels must pay close attention to this, guard against weakness and laxity, and bring the strength of party organizations into full play. Some party organizations and discipline inspection commissions which still remain in a state of weakness and laxity should particularly learn this lesson paid for with blood. They should dare to struggle against unhealthy trends, evil practices, and violations of the law and discipline, and resolutely support discipline inspection cadres in their work.

Case Background Explained

OW190909 Beijing XINHUA Domestic Service in Chinese 0840 GMT 17 Jul 84

[Excerpts] Beijing, 17 Jul (XINHUA) -- A joint investigation group formed by the CPC Central Discipline Inspection Commission and the Discipline Inspection Commission of the Sichuan Provincial CPC Committee spent more than 9 months investigating the case of Gu Licheng, a driver of the Sichuan rubber plant who, out of revenge, killed Che Zhaofu, a member of the plant's Discipline Inspection Commission, secretary of the party branch of the plant's supply and marketing section and automotive transport team, and deputy chief of the supply and marketing section. Recently the department concerned in Sichuan Province dealt justly with this case. The murderer Gu Licheng was executed. Gu Jinhai former deputy secretary of the Sichuan rubber plant party committee and father of Gu Licheng, shielded the murderer and was expelled from the party. Tang Shengwei, employee of the plant's clinic and mother of Gu Licheng, was sentenced to 3 years' imprisonment.

In May 1975, driver Gu Licheng of Sichuan rubber plant drove a vehicle to carry some vegetables to his own home. To take a shortcut, he drove through an area closed to traffic because a construction project was underway. He beat up and injured a worker who tried to prevent him from entering that area. At that time Gu Licheng worked for the general affairs section and was not a member of the plant's automotive transport team, but Che Zhaofu still reported Gu Licheng's problem to the department concerned through the organization.

As a result, Gu Licheng paid the victim's medical expenses and indemnified him for the wages lost during the period he could not work. In addition, Gu Licheng's promotion was delayed for 3 months. In September 1979, Gu Licheng, who had already been transferred to the plant's automotive transport team, failed to keep enough water in the radiator of the truck he was driving because of lack of the sense of responsibility. The engine was thus damaged. After the truck was repaired, both the responsible person of the automotive transport team and Comrade Che Zhaofu maintained that work assignments for drivers should be properly made, and that special treatment should not be given to sons and daughters of leading cadres. They therefore decided not to allow Gu Licheng to drive that truck. Impervious to reason, Gu Licheng refused to accept the criticism and education given by the organization. Instead, he was extremely resentful of how the automotive transport team had dealt with his case and believed that Che Zhaofu had "given him a hard time." His hatred was so bitter that he planned to kill Che Zhaofu.

At noon on 19 December 1982, Gu Licheng beat Che Zhaofu's youngest son Che Yunsong and injured Che Zhaofu's wife Zhou Yuancun after purposely finding fault with them. When Che Zhaofu learned what had happened, he rushed to the spot, and Gu Licheng greeted him with a knife. Gu Licheng stabbed Che Zhaofu three times in the back, near the heart and liver. Che Zhaofu therefore died.

After the incident, Gu Jinhai, Gu Licheng's father, who was deputy secretary of the Sichuan rubber plant party committee, and Tang Shengwei, Gu Licheng's mother, went all out to concoct some opinions to excuse their son from criminal liability. Through more than a week of careful planning, they dished up such materials as the "report on Gu Licheng's abnormal mental state." After being affixed with the seals of Gu Jinhai and his wife, such materials were sent three times to the department concerned. In addition, Gu Jinhai and his wife went all out to ask others to intercede for their son. The activities of Gu Jinhai and the others seriously affected the normal handling of this case by the political and judicial departments concerned. And because of the severe bureaucracy of some people, including Zhao Changrong, chief procurator of the branch procuratorate of Neijiang Prefecture, Sichuan Province, this case was not justly dealt with for a long time.

JINGJI GUANLI ON COLLECTIVE ENTERPRISE RESTRUCTURE

HK191410 Beijing JINGJI GUANLI in Chinese No 5, 5 May 84 pp 28, 29

[Article by Gu Baofu: "Some Problems in Collective Enterprises That Must Be Solved Urgently in the Course of Practicing Independent Accounting and Assuming Sole Responsibility for Profits and Losses"]

[Text] Collective enterprises in cities and towns must practice independent accounting and assume sole responsibility for their own profits and losses. This is necessary for restoring the distinctive features of the collective economy and giving full scope to its superiority. However, there are still many difficulties to overcome in promoting the system of assuming sole responsibility for one's own profits and losses on a full scale at the present stage. On the one hand, many enterprises in the sector which is owned by the whole people and many defense industries have switched to the production of light and textile products for civilian use. They are well-equipped and technologically advanced besides having a solid material basis. The collective enterprises are no match for them. Rural industries run by communes and brigades, which have squeezed themselves into the ranks of collective industries because they are backed by a vast market and cheap labor, also constitute a strong rival force. Living between these two rival forces, collective economic undertakings in cities and towns find themselves beset with difficulties. On the other hand, the restructuring of the country's economy, which includes the systems of planning, finance, materials, labor, and pricing, is just underway.

This is going to affect the collective enterprises in their efforts to assume sole responsibility for their own profits and losses. Thus, in switching from the practice of having one's profits and losses taken care of by the state to that of assuming sole responsibility for one's own profits and losses, we must deal with each on its merits and proceed by stages and in groups. Enterprises which operate normally in production, possess fairly good conditions, and can operate on their own by carrying out independent accounting may assume responsibility for their own profits and losses first. Things are more difficult for those operating under poor conditions. Enterprises specializing in the production of small commodities which yield very little profit, which are in the red or at the point of running at a loss may stop thinking about assuming sole responsibility for their own profits and losses for the time being and wait until their conditions have matured. What are the problems that need to be solved in practicing independent accounting and assuming sole responsibility for one's own profits and losses? In my opinion, there are the following four main areas to be considered:

First, capital goods and funds needed by the collective enterprises in carrying out normal production and operation must be ensured. At present, some collective enterprises in cities and towns are not very enthusiastic about assuming sole responsibility for their own profits and losses. This is because their ownership and decisionmaking power are not truly recognized or respected. Under such circumstances, it is obviously impossible for the collective enterprises in cities and towns to practice independent accounting and assume sole responsibility for their own profits and losses. Just imagine, if these enterprises cannot "decide for themselves" on matters relating to production and operation, how can they assume sole responsibility for their own profits and losses? Thus, we must do a good job in various fields and guarantee the ownership and decisionmaking power of the collective enterprises in cities and towns in order to create the necessary conditions for these enterprises to assume sole responsibility for their own profits and losses. At the same time, we should make everyone understand that practicing independent accounting and assuming sole responsibility for profits and losses is an important measure for safeguarding the interests of collective enterprises in cities and towns and is something imperative. Attempts to "save trouble" and the practice of "everybody eating from the same big pot" not only fail to suit the needs of the four modernizations but are unfavorable to the consolidation and development of the sector of the economy which is owned by the collectives.

Second, collective enterprises in cities and towns should give full scope to their distinctive features and adopt flexible and diversified forms of operation. On the whole, collective enterprises have the advantage of having a large network with many service centers. Because of their flexible operation, they can make things easy for the masses. They only require a small investment but can yield quick results and accommodate a lot of labor power. They should give full scope to their advantages in actively creating and developing quality products and advanced technology that bear distinctive features. At present they should make a special effort to develop the production of labor-intensive products, local and traditional products, as well as goods in short supply, while developing service trades aimed at improving the people's livelihood. They should organize production step by step according to the principle of specialization and coordination and devote more time and energy to "small but specialized" projects. In order to keep abreast of changes in the varieties of products and in market conditions, they should pay attention to the comprehensive utilization of resources, and strive to be versatile while specializing in one field. The form of management should be flexible and diversified. Unified management, separate management or a combination of the two may be carried out. Collective units may organize the allocation of raw materials and the collection of finished products in a unified way, with production being carried out by individual households. Fixed outlets may also be set up, with "workshops being run right behind the stores." Or, a mobile form of operation may be adopted to provide door-to-door service in the neighborhood.

Collective units may engage in joint operations. With the nature of ownership remaining unchanged, they may also carry out joint operations with state enterprises. Joint operations may be regional or inter-regional. Collective units may also engage in cooperative production with foreign, Overseas Chinese, and Hong Kong businessmen in accordance with relevant state regulations. This is not only conducive to invigorating the collective economy but lays a solid foundation for assuming sole responsibility for one's own profits and losses.

Third, it is necessary to clear and set up reasonable supply and marketing channels and strengthen management over pricing. A major difficulty encountered by collective enterprises in cities and towns in production and operation is that they are not assured of the supply of raw materials and are subject to all kinds of restrictions when they want to make purchases on their own. Thus, clearing the supply and marketing channels and establishing reasonable cooperative relations are indispensable links in practicing independent accounting and assuming sole responsibility for one's own profits and losses. Commodities in the first and second categories needed by collective enterprises in production and operation should be incorporated into the plans of relevant leading departments or organs to which they are subordinated in order to ensure normal supply. Collective enterprises are free to purchase locally or from other regions commodities in the third categories and those commodities in the first and second categories which are allowed to enter the market.

In order to meet changing market needs, collective enterprises may adopt flexible and diversified methods of marketing. Some products may be purchased and sold in a unified way by commercial and materials departments through planned purchases, selected purchases, and ordered purchases. Some products may be marketed, wholesale or retail, by the collective enterprises themselves locally or in other regions.

Profits come from the difference between the price of products and the costs of production. Thus, fixing reasonable prices is necessary for assuming sole responsibility for one's own profits and losses. At present prices are unreasonable in many cases. This calls for gradual readjustment. Collective enterprises must strictly enforce the state's pricing policy, the regulations concerning price control, as well as the provisions regarding the rationing of commodities. Random price hikes are strictly prohibited. Farm and sideline products which can be purchased and sold through negotiations should be handled according to the specifications regarding variety and price range laid down by the local government. Prices of small commodities produced by the light and textile industries and handicraft trades may be fixed by industrial and commercial enterprises through consultation according to the methods of cataloging and pricing stipulated by the state. Industrial products produced with raw materials purchased through negotiation according to state regulations should be sold at prices verified by the pricing departments. Collective enterprises should strive for legitimate profits.

Fourth, it is necessary to practice a system of management that will contribute to the development of the collective sector of the economy in cities and towns. In the past there were frequent changes in the system of management in the collective sector. This instability adversely affected the consolidation and development of collective enterprises. We are still trying to find out what is the best form of management for organizing production, exchange, and distribution and for handling administrative and economic relations in the collective sector. No final conclusion has yet been reached. In my opinion, what kind of management system should be instituted is just a matter of whether enterprises should be managed according to the type of ownership or according to relevant trades. If management is based on ownership, the clogging in the supply and marketing channels will adversely affect the growth of the productive forces.

But without such an organ of management, the principles and policies concerning the development between relevant departments will be left unattended. If management is based on relevant trades, there will be a ready market for the products produced. This will help us to incorporate production and marketing into planning and better serve production and the people's livelihood. But then the lack of overall leadership is not conducive to the development of the collective economy. Thus, taking the whole situation into account, the proper course to take is to institute a more loosely organized and flexible system of management. The existing system of management in collective enterprises may be left as it is. Federations of handicraft cooperatives of second light industrial collective enterprises at various levels may be restored and administrative work is to be carried out in conjunction with various second light industrial companies (bureaus). As for the form of management for newly established collective enterprises, we may adopt a variety of forms according to actual conditions and by proceeding from reality. For example, they may take the form of labor services companies, federations of production services cooperatives, and so on. We do not have to seek uniformity. Different forms may exist side by side. They will promote each other and develop together.

COMMENTATOR URGES STRONG MANAGEMENT IN INDUSTRIES

HK200425 Beijing RENMIN RIBAO in Chinese 17 Jul 84 p 1

[Commentator's article: "Breaking With Sectarian Bias -- On the Importance of Strengthening Management of a Trade in the Course of Industrial Reform"]

[Text] Breaking with the ownership by department and strengthening management of a trade is an important aspect in the course of the industrial reform.

There are nearly 400,000 industrial enterprises in our country. In what form they should be better organized is a matter which needs to be further settled. For many years, we have continued to implement the departmental management system. With the development of production and the progress of science and technology, the shortcomings and disadvantages of departmental management have become more and more apparent. First, if they are limited to the departmental system, enterprises cannot be geared to the needs of the entire trade. Many departments have proceeded from the interests of their respective departments and developing their own production and service units. This results in duplicate construction and makes the situation of irrational structure of "small and complete" and "big and complete" increasingly worse. The irrational industrial management structure in turn gives rise to multichannel and multilevel management and supplies of energy and raw materials, preventing an increase of the economic results of the society as a whole. Second, a lack of production obstructs technical progress. Research funds are managed by each separate department and this is like "sprinkling table salt." Each department has its own plan that is not connected with that of another department. Research personnel do not concentrate on problems needed to be solved and the application of new technology is slow. Third, since a complete information feedback system has not been formed, it is difficult to make accurate policy decisions on production. In short, in leading the production of various departments, departments mainly pay attention to micromanagement and seldom give play to the role of macromanagement.

Strengthening the management of a trade is an inevitable trend. Management of a trade can give an overall view of the whole situation, formulate plans for developing of the entire trade, formulate plans for the distribution and location of enterprises, and scientifically and effectively give guidance to the production and construction of the entire trade.

Through making policies on technology and equipment, management of a trade can promote the technical transformation and technical development of the whole trade and readjust the structure and product mix of enterprises within a trade. Readjustment and consolidation of a trade is in fact the continuation of enterprise consolidation. Only if a whole trade is properly and satisfactorily consolidated can the fruits of enterprise consolidation be strengthened and developed.

The implementation of management of a trade is a reform which destroys the old and establishes the new. It demands parting with the rules and regulations of ownership by departments, changing the traditional administrative and management methods, reforming the functions of management and streamlining management organs. Therefore, it makes an impact on the irrational old system and on people's old ideology. The existing management system has given rise to deep sectarian bias. For example, let us look at the unified management of household electric appliances: The economic coordination departments concerned once jointly suggested in written form that unified planning should be strengthened and that the Ministry of Light Industry should manage household electrical appliances in an overall manner. However, other departments said that the production plans of household electrical appliances should be coordinated by planning departments, that departments with greater capacity could produce more and that each department could organize the export of its own products and the import of technology it needed. The question of whom a department should belong to was argued back and forth for as long as 5 years. Many similar cases have occurred. Therefore, we must break with departmental "separation."

An important aspect in strengthening trade management is to skillfully integrate administrative means with economic means. Since this reform involves many departments it is imperative to have necessary administrative intervention. Nevertheless, we must pay attention to giving play to the regulating role of economic levers. We must appropriately lower the prices of highly profitable products whose prices greatly depart from their values. The purpose of this is to limit their production and development. Regarding products which are badly needed on the market and which over a long period bring little profit to the enterprises which produce them, we should appropriately readjust their prices and reduce taxes and interest in order to encourage a faster development of enterprises that produce them. On this question, the financial, banking, pricing and commercial departments must have close coordination in order to promote reform.

The socialist economy is an entity. We should regard seeking the greatest economic results of the macroeconomy, delegating the decisionmaking power to enterprises, and making them vigorous as our starting points and organize the economic activities of the whole society in a rational manner. The aim of breaking with departmental "separation" and strengthening management of a trade precisely lies here.

NEWSPAPER FACSIMILE TRANSMISSION DEVELOPED

0W200424 Beijing XINHUA Domestic Service in Chinese 0155 GMT 19 Jun 84

[By reporter Wu Jincai]

[Text] Beijing, 19 Jun (XINHUA) -- In China, more and more readers are paying attention to how fast the newspapers arrive. Time has always been a factor determining the success or failure of a certain event. Seeing the newspaper and obtaining information promptly may help people make early decisions on handling their affairs and making arrangements for their livelihood.

Newspaper editorial departments are most concerned about sending newspapers to the readers as soon as possible.

In recent years, more and more newspaper offices file applications with the telecommunications departments for the utilization of the advanced technology of facsimile transmission to send a copy of their newspaper to the printing centers in various localities. Facsimile technology began to serve the press some 70 years ago, but it was not popular. During the transmission, it is only necessary to put an original copy on the facsimile machine, and after an hour or so, it will be transmitted to a place thousands of miles away. The copy at the receiving site is as clear as the original. Then, the local printing workers begin work, and readers, living far from Beijing, will be able to read the central newspapers on the same day as the people in the capital.

Currently, nine newspapers in the capital are publishing radiophotographic editions in other cities. Some of the newspapers have published their radiophotographic editions in as many as 14 localities, such as Urumqi, Kunming, Chengdu, Chongqing, Guangzhou, Nanning, Changsha, Wuhan, Fuzhou, Hangzhou, Nanjing, Nanchang, Lanzhou, and Guiyang. Some newspapers such as JINGJI CANKAO are only being transmitted to one locality, while most, such as GUANGMING RIBAO and CONGREN RIBAO, send their radiophotographic editions to several cities. Printed newspapers are generally transported by train to cities near Beijing, such as Tianjin and Shijiazhuang. Paper matrix is usually sent by air to relatively distant cities, but with transport facilities such as Shanghai, Jinan, Shenyang, and Changchun, so that newspapers are printed and published locally.

By utilizing the aforementioned 3 methods, the people in 21 cities at the provincial capital level in China are able to read RENMIN RIBAO on the same day. The delivery of other newspapers to various localities has also been more prompt than before. Many newspaper publishers point out: Of all methods, the most advanced is facsimile technology. China's telecommunications departments are busy developing technical transformation, and expanding the capacity of facsimile circuits, so that more newspapers will reach various localities on time by means of this advanced technology, and more people in remote areas will be able to learn what has happened at home and abroad more promptly.

It is reported that Shanghai's WEN HUI BAO will soon publish its radio facsimile copies in Beijing, and become the first newspaper published in Beijing from another locality through radio facsimile transmission.

BUDDING SHENZHEN FOOD INDUSTRY TASTES SUCCESS

OW191610 Beijing XINHUA in English 1557 GMT 19 Jul 84

[Text] Beijing, July 19 (XINHUA) -- Output of the food-processing industry in the Shenzhen Special Economic Zone grew last year to six times the 1979 level, an industry official said here today. This was largely thanks to the import of a considerable amount of foreign technology and equipment.

In 1983, output was worth 23.41 million yuan, and in the first half of this year it reached 17.04 million yuan, 130 percent up on the same period last year, said Lan Jinglian, vice-executive of the Shenzhen City food and drinks industry company's business development department. She was speaking at a national meeting on developing the food industry in the country's special economic zones and coastal cities, which closed here today.

Lan said 33 enterprises including 10 joint ventures with foreign businesses had been set up in the Shenzhen Zone, one of three in the country's southern Guangdong Province. About 35 million U.S. dollars (77 million yuan), had been invested in these deals, of this, 10 million dollars (22 million yuan) had been spent. One of the biggest factories so far built was the Shenzhen City Happiness Soft Drinks Factory. In 1981, it imported a flip-top canning line and a bottling line from the American Pepsi Cola Company with capacities of 500 cans and 400 bottles per minute respectively. There was also an oyster sauce plant, with an annual capacity of 300 tons, which went into operation in May last year.

In April, an agreement was signed between the Shenzhen City food and drinks industry company and Paulaner-Salvator-Thomasbrau of the Federal Republic of Germany to set up a brewery with a capacity of up to 50,000 tons. The project should be completed by 1986. And a mineral water plant with a capacity of 60,000 tons a year should be completed by the end of this year.

Lan said the Shenzhen City food and drinks industry company planned to build a flip-top can making factory, a fast-frozen food factory, a condiment factory and a convenience food factory in order to satisfy local demand and for export.

FUJIAN, TASMANIA SIGN ECONOMIC, TRADE AGREEMENT

OW191619 Beijing XINHUA in English 1610 GMT 19 Jul 84

[Text] Fuzhou, July 19 (XINHUA) -- Chinese coastal Fujian Province and the Australian State of Tasmania are to set up a joint economic and trade committee to promote long-term co-operation. An agreement was signed here today by Robin Gray, premier of Tasmania, and Hu Ping, governor of Fujian Province.

Fujian and Tasmania established friendship ties in 1981. Exchanges and co-operation in the past three years cover industry, agriculture, economic affairs and trade, science, education and sports.

Premier Gray arrived here on July 17 at the invitation of Governor Hu. The two sides discussed developing co-operation in livestock breeding, grassland transformation, offshore aquaculture, forestry, hydroelectric power, science, culture and education.

REN ZHONGYI ADDRESSES GUANGDONG WOMEN'S MEETING

OW200057 Beijing XINHUA Domestic Service in Chinese 1135 GMT 15 Jul 84

[By RENMIN RIBAO reporter Fu Xu and XINHUA reporter Zou Aiguo]

[Excerpts] Guangzhou, 15 Jul (XINHUA) -- How should women's federations at various levels adapt their work to the new situation of opening to the outside world? A work conference of chairmen of various provincial, municipal and autonomous regional women's federations which ended here today stressed the need to do three things well: It is necessary to do propaganda among the broad masses of women and mobilize them to take an active part in carrying out reforms in the course of which they should play their role in "holding up half the sky"; it is necessary, as a strategic task, to raise the quality of women and to develop women's intellectual and talent resources at an accelerated pace; and it is necessary to set up economic establishments serving women and children and to do good turns and practical work for them.

This conference, sponsored by the All-China Women's Federation opened on 5 July. During the conference, the chairman of various provincial, municipal and autonomous regional women's federations and representatives from 4 special economic zones and 14 coastal cities to be opened to other countries made a study tour of Guangdong, Dongwan, Shenzhen and Shunde. The conference exchanged and summed up experiences in women's work in various localities and enthusiastically discussed how women's work could meet the requirements of the new period and how to bring about a new situation in women's work.

Zhang Guoying, vice chairman of the All-China Women's Federation and first secretary of the federation Secretariat, and Hu Dehua, Wang Qingshu, Wang Deyi, Yu Shuqin, Fan Chongyan and Wang Liwei, members of the federation Secretariat, attended the conference. First Secretary Ren Zhongyi of the Guangdong Provincial CPC Committee addressed the conference.

REN ZHONGYI ATTENDS CEREMONY IN GUANGDONG

HK190857 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 18 Jul 84

[Excerpts] The Guangdong Provincial Xinhua Industrial Company and the Hong Kong (Wang Yi) Company, Limited, are cooperatively building the Guangzhou International Science, Technology, and Trade Exhibition and Exchange Center. A cornerstone laying ceremony was held on the west side of Guoji Road, Sanyuanli, in Guangzhou this morning. The principal responsible persons of the province and the city, including Ren Zhongyi, Li Jianan, Xu Shijie, and Lai Zhuyan, attended the ceremony. Vice Governor Li Jianan cut the ribbon. Wang Zhen, Political Bureau member of the CPC Central Committee, sent a congratulatory telegram.

The Guangzhou International Science, Technology, and Trade Exhibition and Exchange Center is a key project built with foreign capital. The total amount of investment is 160 million Hong Kong dollars. The services which the center will provide include scientific and technological exchanges, exhibitions, trade contacts, economic information, training of talented persons, and so on. With the construction of the center our province will be provided with a show case for foreign advanced scientific and technological achievements; economic information and advice will be supplied to our province in economic construction, technological exchanges; and reform of existing factories, mines and enterprises, and favorable conditions will be created.

The construction area of the center will be some 41,000 square meters. The center will have a large exhibition hall, 7,000 square meters, for all kinds of exhibitions; a science and technology conference hall; small conference rooms; rooms for conducting business; sample display rooms; and offices. It will also have rooms for guests, restaurants, a bazaar, an amusement area, a post and telecommunications office, a customs house, and a bank.

After approval of the joint venture, the Guanzhou City First Construction Company began building the exchange center. The main building will be completed in July 1985, the entire center will be finished and ready for use at the end of 1985.

GUANGZHOU ON IMPROVING INTELLECTUALS' CONDITIONS

HK200350 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 19 Jul 84

[Text] The Guangzhou City CPC Committee recently and carefully listened to the report on the situation in Guangzhou City in implementing the policies toward intellectuals and gave written instructions and comments on the views of the city CPC Committee's leadership group to inspect the implementation of the policies toward intellectuals. The city CPC Committee emphasized that it is necessary to regard as regular work the supervision and inspection of implementing the policies toward intellectuals.

The Guangzhou City CPC Committee especially stressed that we must strive to improve the living and working conditions for intellectuals:

1. We must properly solve the problems of livelihood of and remuneration for intellectuals. We can handle problems referring to the provisions on livelihood of and remuneration for intellectuals at and above the middle level in provincial organs which are contained in Document No 72 issued by the provincial CPC Committee in 1982. We must also solve the problems of intellectuals at and above the middle level living apart from their spouses for a long time.
2. We must give priority to resolving difficulties in housing for intellectuals. Guangzhou City has decided to appropriate additional funds for the construction of houses for intellectuals. All units must seriously study intellectuals' housing problems, work out plans, concentrate funds on housing for intellectuals, and give priority to building houses for middle-aged intellectuals. The city is resolved to mitigate in 3 years the housing shortage for middle-aged intellectuals.
3. We must do a good job on medical treatment and the medical plan for intellectuals. Medical treatment must be given at an early date to intellectuals suffering from various diseases or they must be sent to sanatoriums for rest. Proper subsidies must be given to intellectuals who need more nutritious food and who encounter difficulties in livelihood.
4. We must properly increase intellectuals' income. In coordination with departments concerned, the city CPC Committee is formulating regulations for enforcement. Regarding intellectuals who have taken part in work for a relatively long time, whose wages are slightly low, who have studied seriously and hard, have made creations and inventions, and have made relatively great contributions, their wages must be raised one grade higher. Regarding intellectuals who have worked in distant border areas or in mountainous areas, they can be given regional allowances.
5. We must support intellectuals attending refresher courses.

GUANGXI REPORTS ON PERSECUTION OF ENGINEER

HK190303 Nanning Guangxi Regional Service in Mandarin 1130 GMT 18 Jul 84

[Text] The 18 July GUANGXI RIBAO frontpages a letter from (Liang Kecheng), an engineer of the regional Urban Planning Design Institute, under the heading "Another Bad Case of Dealing Blows at Intellectuals." The letter tells how the remuneration he received for solving a technical problem for two well-drilling teams was regarded as the proceeds of corruption by certain leaders of the former regional Urban Construction Bureau.

The paper carries an editor's note on this letter. The note says: Party policy has long established that science and technology personnel are allowed to undertake jobs for other units, act as technical advisers, give lectures, act as consultants for research and design, and so on after completing their own tasks. They are allowed to receive remuneration for this in addition to their salary. By practicing this policy we can bring the role of the intellectuals into full play and speed up the four modernizations.

Certain leading comrades of the former regional Urban Construction Bureau regarded the remuneration of (Liang Kecheng) for acting as an adviser as an example of corruption, and intended to deal with the case swiftly and severely as a serious economic or other crime. In violation of the provisions of the constitution, they required him to hand over all the correspondence between him and the unit that requested his assistance, and forbade him to write to that unit again. The salary grade hike awarded to Comrade (Liang Kecheng) for his use of riverbed well-drilling technology, for which he was given a first-class prize for science and technology in the region, was unreasonably held back for 13 months.

These erroneous actions in violating the party's policy on intellectuals show that the pernicious influence of leftism has not yet been eliminated, seriously inhibit intellectuals' enthusiasm and creativity, and do not help the four modernizations. They must be quickly corrected.

Investigation Ordered

HK200241 Nanning Guangxi Regional Service in Mandarin 1130 GMT 19 Jul 84

[Text] At 0830 yesterday Jin Baosheng, deputy secretary of the regional CPC Committee and director of the committee's leadership group for implementing policies on intellectuals, told his secretary to make an immediate phone call to (Mao Shugui), director of the regional CPC Committee's office for implementing policies on intellectuals, instructing him to find out and verify the situation regarding (Liang Kecheng). The phone call was made after Jin Baosheng read the GUANGXI RIBAO report on how the engineer (Liang Kecheng) had been engaged to solve technical problems for two well-drilling teams and how his remuneration for this had been regarded as an example of corruption by certain leaders of the former regional Urban Construction Bureau. Jin Baosheng said that if the facts were indeed as reported in the newspaper, and engineer (Liang's) acceptance of remuneration had been regarded as an economic crime to be dealt with swiftly and severely, then it was essential to correct this immediately and deal severely with this case of persecuting intellectuals, as indicated by the results of the investigation.

According to our information, Comrade (Mao Shugui) has already telephoned the regional construction commission and other units concerned, and has sent people to (Liang Kecheng's) unit to investigate further and verify the situation.

HENAN RADIO COMMENTS ON THREE-CATEGORY PEOPLE

HK200447 Zhengzhou Henan Provincial Service in Mandarin 1230 GMT 19 Jul 84

[Station editorial note: "We must Be Resolute and Cautious in Weeding Out People of Three Categories"]

[Text] Weeding out people of three categories is a severe political struggle. It is essential to implement the principle of acting with resolution and caution, and do a thoroughly good job in this work.

At present, investigation and verification of people of three categories is rather slow in some units. An important reason for this is that the leading comrades of these units lack sufficient understanding of the importance and urgency of this work. They are careless, weak, and ineffectual. Some leading comrades even take the side of people with serious problems and shield them. Even now there is still factional interference in certain units.

The leading comrades at all levels must attach importance to these problems. In accordance with the spirit of the CPC Central Committee's decision on party rectification, we must get a firm grasp of this work. We must investigate and deal strictly with those who shield and take the side of people of three categories or interfere with the progress of checking and verification.

HUBEI DECISION ON HELPING SPECIALIZED HOUSEHOLDS

HK200349 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 19 Jul 84

[Excerpts] The 10th meeting of the 6th provincial People's Congress Standing Committee yesterday adopted a decision on protecting the legitimate interests of rural specialized households.

The decision said: Contracts for purchase or sales, services and so on signed by specialized households with state enterprises and units or collective economic organizations must be strictly observed by both parties, and may not be unilaterally changed or illegally annulled. Otherwise, the party breaking the contract will be responsible for the subsequent economic losses. The tax departments must strictly act in accordance with the tax law regulations in levying tax on specialized households. They may not violate the regulations by imposing double taxation or arbitrarily changing the tax rate.

In collecting charges from the specialized households, the departments and units concerned must act according to the regulations of the State Council and the provincial government. They must not arbitrarily expand the scope of such charges under various pretexts, increase the scale of the charges, or impose double charges. No unit or individual is allowed to issue bans, erect obstacles, or hamper or restrict the legitimate production and operations of specialized households.

The legitimate income and property of specialized households is protected by law, and no unit may, under any pretext, use it to engage in egalitarianism and indiscriminate transfer of resources, apportion it, or illegally confiscate it. People who practice blackmail or extortion, loot, steal, or cheat specialized households of their property, or those who use poison, fire, explosions, and other means to wreck specialized households' production and operations must pay compensation for the economic losses. People involved in serious cases that constitute criminal activities will be held criminally accountable. The political and legal organs and the departments concerned must act according to law in upholding the legitimate interests of the specialized households.

The decision says: Specialized households must observe the state laws and policies. They must engage in proper production and operations and pay taxes according to the regulations. They must seriously fulfill their obligations to the state and the collective.

HUBEI PROVIDES POOR COUNTIES WITH SUBSIDIES

HK190900 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 18 Jul 84

[Text] The provincial Finance Department has changed the previous long-term practice of providing poor counties with subsidies without paying attention to the results and has decided to advance subsidies at the beginning of the year in order to help these poor counties to develop their economy and attain better economic results.

There are 31 poor counties in our province. For a long time in the past, the provincial Finance Department has provided subsidies at the end of each year in accordance with the reports made by these counties. The average subsidy amount is more than 150 million yuan a year.

In the course of party rectification, the leading party group of the provincial Finance Department conscientiously criticized the bureaucratic style of handling affairs, summed up the work experiences in the past, and decided to provide subsidies, which usually were issued at the end of each year, to poor counties at the beginning of each year in order to help them develop their economy and attain better economic results. In May, the provincial finance Department dispatched three investigation groups to several poor counties to investigate and analyze the situation. The department decided to advance the first allocation of subsidies, amounting to more than 40 million yuan, to eight counties, namely Badong, Yunxi, Zhushan, Wufeng, Fangxian, Tongcheng, Chongyang, and Yangxin. The funds are now available to these counties.

After receiving these subsidies, the responsible comrades of these counties will sign various economic contracts with the provincial departments concerned in order to develop various undertakings and increase their income in light of the superiority of the mountain areas, plains, and lake areas in the localities.

HUNAN'S MAO ZHIYONG EXAMINES SHORTCOMINGS

HK200423 Changsha Hunan Provincial Service in Mandarin 0400 GMT 20 Jul 84

[Text] According to HUNAN RIBAO, on the evening of 13 July, provincial CPC Committee First Secretary Mao Zhiyong, Secretaries Xiong Qingquan and Jiao Linyi, and Secretary and Governor Liu Zheng went to the party groups of the Nos 1 and 2 secretarial sections of the provincial CPC Committee's General Office, where they were staying, to conduct individual comparison and examination in accordance with the demands of party rectification and to listen humbly to criticisms and views from the party-member masses.

After the provincial CPC Committee Standing Committee completed its comparison and examination, Mao Zhiyong, Xiong Qingquan, Jiao Linyi, and Liu Zheng put forward demands for individual comparison and examination in the party branches or groups of the units where they were staying. On the evening of 13 July, they arrived ahead of schedule at the meeting room of the party groups of these units. As soon as the meeting opened, they took out and read for 1 and 1/2 to 2 hours an individual comparison and examination script that they had previously prepared. After the examination, they requested everyone to take up the weapon of criticism and present their views.

Comrade Mao Zhiyong said: You have been in contact with me quite a lot, and you know better than most comrades what problems there are in my work, thinking, and work style. Moreover, I cannot necessarily hear the views that you hear. So I hope you will unreservedly put forward criticisms and opinions to me.

Comrade Xiong Qingquan said: Party rectification is an excellent opportunity for listening to people's views. You can present all your views to me, whether you have seen them, heard them, or felt them. This will be helpful for my thinking and work.

When the comrades of the party groups spoke, they seriously listened and took out their notebooks to write down the criticisms and views of the party-member masses. After the meetings concluded, Comrade Mao Zhiyong and the others unanimously expressed thanks for the comrades' criticisms and views, and pledged to correct things in the future.

Comrade Mao Zhiyong said in conclusion: Some of the first batch of units carrying out party rectification have completed their comparison and examination, and others are still carrying it out. Doing a good job in comparison and examination and finding out the existing problems only shows that we have just begun to understand the problems in ideology. The most important thing is to thoroughly grasp rectification and correction in accordance with the problems exposed, and genuinely solve the problems.

The action of the leading party-member cadres in taking part in party rectification comparison and examination as ordinary party members with a serious, sincere, and humble attitude has set an example for the party-member masses. They pledged to act according to the arrangements of the central and provincial CPC Committees, insist on high standards and strict demands, and make still greater efforts to do a good job of collective and individual comparison and examination in the Nos 1 and 2 secretarial sections. They also pledged to carry out serious rectification and correction and complete the tasks of party rectification.

DUAN YUANLAI EXPELLED FROM PARTY IN HUNAN

HK200201 Changsha Hunan Provincial Service in Mandarin 2300 GMT 19 Jul 84

ext] According to HUNAN RIBAO, the Changdu Prefectural CPC Committee, Commissioner's Office, Public Security Bureau, People's Procuratorate, and Intermediate People's Court have recently issued documents announcing the expulsion from the party of Duan Yuanlai, a repository of all evil who has committed serious crimes, annulling the circular of 1983 conferring great merit on him and the letter appointing him manager of the Changde cigarette plant, and annulling the 1969 decision on rehabilitating Duan made by the personnel and security group of the former prefectural Revolutionary Committee and the Public Security, Procuratorate, and court Military Control Committee of the Changdu Commissioner's Office.

Duan Yuanlai is a bad person who wormed his way into the party and committed serious crimes. During the Cultural Revolution, he acted as leader of a factional organization and organized, plotted, and directed struggle by force on many occasions. During the high tide of struggle by force, he also approved the killing of innocent masses. He is also a thug. He raped many women and seduced and committed indecent acts with many others. He also used his position to pursue private interests and extort and take bribes totaling more than 20,000 yuan. In the past, however, this bad person was protected and employed in important posts by certain leading cadres. When he underwent screening, he was covertly rehabilitated and accorded great merit.

The prefectural CPC Committee, Commissioner's Office, and public security, procuratorate, and court organs have now announced that he is to be expelled from the party and that the complimentary documents given to him in the past are to be annulled. Duan Yuanlai is thus shown as he really is. The prefectural branch procuratorate is investigating Duan Yuanlai's serious crimes according to law, and has already brought an indictment before the court. At present the prefectural Intermediate People's Court is examining the case. An investigation group of the provincial and prefectural Discipline Inspection Commissions is examining the relevant issues.

HUNAN ISSUES CIRCULAR ON COMMODITY CIRCULATION

HK191232 Changsha Hunan Provincial Service in Mandarin 1100 GMT 18 Jul 84

[Text] On 14 July the provincial Industrial and Commercial Administrative Bureau issued a circular to all prefectural, city, and county industrial and commercial bureaus, putting forward 14 measures to enliven circulation. The 14 measures provide the following:

State-run enterprises, collectives, and individuals can engage in many channels of business in agricultural and sideline products, daily-use industrial products, and means of production whose free purchase and sale in the market is permitted by policies. No varieties, quantity, means of transport, or modes of business are limited. These commodities can be purchased and sold either wholesale or retail. Businesses can be run independently or jointly. Commercial areas can be set aside for business purposes, and commodities can be transported out of the counties and the province for sale.

With a view to suiting the new situation in the reform of commerce, the provincial Industrial and Commercial Bureau stipulated that all trade centers and wholesale markets can engage in buying or selling, either wholesale or retail, without limitation by region, trade, or mode of business. In light of the requirements of the market and society, the existing state-run commercial wholesale organs can enlarge the scope of their business and can engage in many trades, with one trade as the main item. Agencies for industrial departments with ownership by the whole people or by collectives can engage in the sale of products made by their own enterprises and departments and can also set up joint companies spanning departments, trades, and regions.

The provincial Industrial and Commercial Bureau also stipulated that township and town enterprises, grassroots supply and marketing cooperatives, and rural individual undertakings can set up commercial areas and shops in fairs, towns, or urban areas and can carry out processing work of various kinds, service work, catering trade, and commerce. They can do business either wholesale or retail. They can also engage in joint businesses. With the approval of the provincial government and having been issued business licenses by the provincial Industrial and Commercial Bureau, specialized households, individual undertakings, and cooperative business organizations can cooperate with foreign firms with joint capital in compensation trade and in other development projects.

In order to facilitate circulation, the provincial Industrial and Commercial Bureau has formulated specific regulations concerning all kinds of charges imposed on the markets. The starting market management charge will be readjusted from 5 yuan to 10 yuan, and this charge will increase according to the volume of business. All state-run and collective enterprises and individual industrial and commercial undertakings are exempt from the market management charge if they sell goods in stalls in front of their doors. The charges for hiring equipment and the stall charges for state-run, collective, and individual undertakings from other places will be the same as that for local state-run, collective, and individual undertakings.

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PRC REGIONAL AFFAIRS
SOUTHWEST REGION

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CHONGQING CITY TRANSFORMS EXISTING ENTERPRISES

HK191340 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 19 Jul 84

[Text] Chongqing City has implemented the open-door policy and has taken effective measures to vigorously utilize foreign capital to import technology and equipment and to speed up the technological transformation of existing enterprises.

The total amount of foreign capital which the whole city utilized in the first half of this year was some \$46 million, and the amount of money used to import technology and equipment amounted to \$12 million, which exceeded the sum total for last year.

In utilizing foreign capital Chongqing has been open to the outside world. The city has formulated preferential treatment measures to attract foreign capital. In joint ventures, cooperative production, compensation trade, processing materials supplied by foreign firms, and [words indistinct], priority will be given to arrangements for the supply of energy resources and of raw materials and for communications, transport, communications facilities, and capital construction. This has attracted great interest by foreign firms, many of which have sent personnel to conduct on-the-spot investigations and to hold talks on investing.

By the end of June, Chongqing City had made progress in 19 areas involving the utilization of foreign capital. Of the contracts, agreements, and letters of trust concerned, 14 have been signed and 3 are being reported to upper levels for approval. There are 68 main projects for importing advanced technology and equipment. Importing this technology and equipment will play an important part in strengthening Chongqing City's industrial production capacity, improving the quality of products, developing new products, and raising economic results.

HEBEI'S GAO YANG ON REFORM OF OPERA TROUPES

OW192338 Beijing Domestic Service in Mandarin 1200 GMT 15 Jul 84

[Text] The principal leaders of Hebei Province and the responsible persons of its propaganda and culture departments pay attention to the structural reform of opera troupes. More than 90 percent of the troupes in the province have adopted a system of contracted responsibilities.

The structural reform of the opera troupes in Hebei Province began at the end of 1982. Now, the number of professional opera troupes, at and above the county level, has been reduced from 200 to 116. The troupes in the province have laid off 5,104 people, accounting for 32 percent of their total membership. The state has reduced its subsidies to the troupes. The reform has aroused enthusiasm among troupe members. Now, they are giving more performances, particularly in mountain regions and rural areas. Reform has also improved their artistic quality.

The provincial leaders attach importance to, and support, reform of the opera troupes in Hebei Province. Gao Yang, first secretary of the provincial party committee, pointed out that the opera troupes must be reformed, and the problem of sharing food from the same big pot should be solved. Xing Chongzhi, secretary of the provincial party committee, successively visited provincial Culture Department and opera troupes 14 times. He conducted investigations and studies there, and clearly and definitely explained why the troupes needed reform, what to reform, how to reform, and other specific questions. The principal responsible persons of the provincial Culture Department have investigated and studied 14 opera troupes directly under the provincial authorities, and have done a great deal of arduous and meticulous work to help them formulate reform plans.

SHANXI'S LI LIGONG ON RESPONSIBLE JOURNALISM

SK190759 Taiyuan SHANXI RIBAO in Chinese 2 Jul 84 p 1

[Excerpts] The national forum on news authenticity was held in Taiyuan City of Shanxi Province from 26 June to 1 July. The forum was sponsored by the All-China Journalists' Association and the Shanxi Provincial Journalists' Association. More than 70 representatives from 63 press units all over the country attended the forum. Zhong Peizhang, member of the presidium of the All-China Journalists' Association and director of the Information Bureau of the Propaganda Department of the CPC Central Committee, presided over the forum and spoke at the beginning of the forum. Participants in the forum held that the press circle should first intensify the study and education of the Marxist ideological line and enhance the party spirit of journalists so they can foster the idea of putting facts, quality, and reputation above everything else. Second, it should more intensively educate journalists, especially young ones, with proletarian press theories, traditions, and basic knowledge; help them overcome the influence of the "left" and other bourgeois press views of all descriptions; increase their ability to gather and edit news; and reduce the mistakes resulting from a lack of proficiency in their professional work. At the same time, departments in charge of press work should formulate regulations aiming at guaranteeing news authenticity, and all press units should establish and improve the personal responsibility system, which is applied to all links of the news gathering and editing work and which should be implemented simultaneously with the reward-penalty system.

The participants called on all of society, particularly leading comrades of party and government organs at all levels, to show concern for journalists, support their efforts to maintain news authenticity, and help them in understanding the true situation and combating fraud and superficiality.

INDUSTRIAL PRODUCTION FIGURES IN SHANXI REPORTED

SK200205 Taiyuan SHANXI RIBAO in Chinese 6 Jul 84 p 1

[Excerpt] The province's industrial production is advancing with big strides in the course of reform and the situation is encouraging. In the first half of this year, the total output value reached 8.097 billion yuan, accounting for 50.6 percent of the annual target and showing an increase of 10.4 percent over the corresponding period of 1983. The output value of heavy industry was 5.789 billion yuan, 11.1 percent over the same period of 1983; and that of light industry was 2.308 billion yuan, an 8.7-percent increase. The output of 65 of 100 major products covered by the plan for evaluation reached or exceeded semiannual targets. From January to May, industrial enterprises covered by the local budget realized 828 million yuan in profits and taxes, 15.4 percent over the same period of 1983. They delivered 382 million yuan in profits to the state, a 17.9-percent increase over the corresponding period of 1983.

SHANXI'S LI LIGONG WRITES ON AFFORESTATION

SK200536 Taiyuan SHANXI RIBAO in Chinese 28 Jun 84 pp 1, 2

[Article by Li Ligong, secretary of the Shanxi Provincial CPC Committee: "Step Up Afforestation and Accelerate the Greening of Shanxi"]

[Text] Recently, the central leading comrades gave instructions on stepping up afforestation in the rainy season and strengthening propaganda regarding greenery. We should conscientiously implement this instruction and promote the province's afforestation in a down-to-earth manner. Forestry is an important component of the national economy. The afforestation of the motherland is work of the highest priority in realizing improvement of the natural ecological system, and it is also a major strategic matter in quadrupling the annual industrial and agricultural output value by the end of this century. Thanks to our efforts to earnestly implement the series of policies and to many effective measures on forestry development issued by the CPC Central Committee and the State Council, our province has remarkable advanced forestry construction and our forestry production situation has improved every year since the 3d Plenary Session of the 11th CPC Central Committee. A good trend in forestry work appeared this spring as a result of our efforts to carry out the guidelines of the CPC Central Committee's Document No 1; the instruction of the CPC Central Committee and the State Council on launching an in-depth campaign for afforesting the motherland; and the 10 regulations aiming at relaxing forestry policies issued by the provincial CPC Committee and People's Government in response to this instruction. The masses of cadres and people have enhanced their understanding of the importance of afforestation. All localities have combined the efforts to develop forestry and afforest the land with those to develop the commodity economy, eliminate poverty, achieve prosperity, and double production. Cadres at all levels have become more willing to attend the afforestation. The province allocated an additional 9.1 million mu of barren hills to peasants. As of now, the province has allocated 27.06 million mu as private hills, responsibility hills, and voluntary afforestation hills for peasants to plant trees. This figure accounts for about 70 percent of our barren hills suitable for afforestation. Specialized and key tree planting households have increased to 200,000.

Compared with the same period last year, we have afforested more areas and bred more saplings. Our forestry work is more solid than in previous years. This is the major aspect of the situation. Under the excellent situation, we should remain clearheaded and note problems regarding minor aspects. At present, the various rural policies, including forestry policies, have not been carried out very successfully. A commune in a county advanced in forestry, which has more than 300 peasant families, has not allocated private or responsibility hills to even one family, and is still eating from the same big pot in planting trees. Some localities have allocated private hills to the people, but have not clarified the acreage and responsibilities, nor issued barren hill utilization certificates to the people in a timely manner. The people still cannot keep their minds on afforestation. Another problem is slack technical service. Primarily because some specialized forestry households and family-based forest farms fail to master the scientific tree-planting techniques of planting on suitable areas at the proper times, fail to select fine strains, fail to prepare the soil meticulously, and fail to take good care of trees, the tree survival rate is low, or the trees grow slowly even though they survive. What merits our special attention is the fact that some localities, instead of doing solid work, allow formalism to appear, have a fondness for the grandiose, and seek quantity at the expense of quality; some pay attention to flourishes and foster some tree planting models for others to visit and inspect while neglecting the work in the entire area; and some disregard the necessary conditions of labor, funds technology, and saplings of specialized households and strive to enlarge the scale of these households. In order to consolidate and develop the current excellent situation in forestry construction, we should face up to reality and take timely effective measures to solve problems. Only by so doing can our forestry construction develop soundly and steadily.

Historically, our province has had many forest areas. For many years, these forest areas were seriously damaged. As of the early post-liberation period, only 2.4 percent of the land was covered with trees. Although our province has scored relatively good achievements in afforestation since the PRC's founding, forest area is still limited and the forest cover rate is below 20 percent, lower than the national average and 21st among all provinces, cities, and autonomous regions. The limited forest area, serious soil erosion, and frequent natural calamities are a grave problem which should be urgently solved. In particular, along with the development of building the energy, heavy, and chemical industrial bases, the problem of environmental pollution will become increasingly conspicuous. Therefore, rapidly making Shanxi green and building a fair ecological environment is an extremely urgent task.

There are two attitudes toward afforestation: One is that some people consider the work of making the land green the practice of the foolish old man who removed the mountains and the practice of "one generation planting the trees under whose shade another generation rests." They also think that depending on tree-planting to become prosperous is just like putting out a fire that is close at hand with distant water. Thus, they lack confidence and enthusiasm in planting trees. Of course, this is wrong. The other attitude is that some people are unrealistically optimistic and think that so long as the trees and grass have been planted, the land will certainly become green in 3 to 5 years. This is impractical. What is the criterion for making the land green? According to the opinions of some specialists, making the land green means to cover all areas possible with perennially green plants. For instance, about 70 percent of the mountainous Taihang areas should be covered with trees and grass. At the same time, making the land green means to create a forest environment in which perennial forage grass grown densely with a certain height, and where 80 percent of this environment is covered by forage grass capable of really raising the productive forces of the land.

In line with this criterion, the province really shoulders heavy responsibilities in afforestation and should make sustained and unremitting efforts in this regard. First, we should make efforts for many years to extensively and penetratingly preach the importance and urgency of afforestation and we should mobilize everyone to plant trees every year so as to gradually form a general mold and habit of transforming the land. By so doing, we can have high hopes for success in making Shanxi green.

The rainy season is very good for planting trees. Over the past several years, most areas in our province have been accustomed to planting trees in the spring and fall and have neglected afforestation during the rainy season. Experience proves that rainfall is sufficient, the soil is damp, the air is humid, and temperatures are high in the rainy season. Therefore, if we seize the right time to plant trees using good technology, the survival rate of those trees will be raised. Over the past few years, our province has scored some achievements in planting trees during the rainy season, but this work has not yet been stressed across the province. Comrade Mao Zedong told us long ago that "we should plant trees in three seasons where it is possible, and in two seasons where that is possible." If most areas change one-season afforestation to two- or three-season afforestation, the pace of making the whole province green will be accelerated.

To achieve success in the rainy season's afforestation, we must immediately go into action; pay close attention to rainfall; make proper preparations for the planning of forest areas, for raising saplings, and for organizing workers; and strengthen services to "key and specialized households" in forestry. In our province, the period from early July to early August is the best time of the rainy season for afforestation. The rainy season's afforestation is valued for its bountiful rainfall. We should use the successive cloudy days right after a saturating rain to plant trees or sow seeds. This year's rainy season has come early, and thus the rainy season's afforestation should be shifted to an earlier date. Those counties which have been assigned the task of sowing tree and grass seeds by plane should make proper preparations for their work in order to ensure the fulfillment of their tasks.

In accelerating the development of forestry, our province should not only depend on policy and science, but also on propaganda. This is an important experience for our province. Over the past few years, our province's forestry propaganda work has continually strengthened and all journalistic and propaganda units have done lots of work to publicize the afforestation work. At the same time, the province has commended a number of units and individuals that were outstanding in afforestation and commended a number of leading cadres at the county level who ardently love forestry and made contributions to forestry. As a result, a gratifying experience has been gained. However, the propagandizing of forestry work is still far from meeting the demands for developing forestry on a large scale. Generally speaking, in the afforestation season, various localities have paid attention to conducting afforestation activities and publicizing the deeds of advanced persons. This is essential. However, they have not given enough publicity to the management and protection of forests and to ecological efficiency. Propagandizing of forestry work has not been regularized and the popularization of afforestation technologies has not been strengthened. At present, reform is being conducted on the forestry front in such areas as making rural and urban areas green and reforming the forest zones and forestry administrative units. Now, household tree-planting has become a major situation in rural areas. In making urban areas green, the system of units assuming responsibility for planting a fixed number of trees is being established. All forestry units are being changed to units with a business nature, giving economic services. Propaganda in this field should be strengthened.

In propagandizing forestry experiences and examples, great attention should be paid to the 10 measures put forward by Comrade Hu Yaobang at the conference on north China's dry-land agriculture. These 10 measures are: Emancipating the mind, centralizing the people's will, mobilizing the people's enthusiasm, depending on the masses to develop work, giving priority to ensuring seed supply, improving technologies, conducting conscientious inspections, implementing policies, cadres taking the initiative in work, and being resolute to raise the quality and persuasiveness of propaganda reports. In sum, we should conscientiously strengthen the propagandizing of forestry and make forestry propaganda play its due role in organizing, inspiring, and promoting our province's forestry construction in order to mobilize all people in the province to actively plant trees and make Shanxi green.

TIANJIN'S CHEN WEIDA RECEIVES PARTY WRITERS

SK200125 Tianjin City Service in Mandarin 0030 GMT 19 Jul 84

[Excerpts] On the morning of 18 July, Comrade Chen Weida, first secretary of the Tianjin Municipal CPC Committee, cordially received party-member writers of the municipal branch of the Chinese Writers' Association and held a forum to hear their report on party rectification.

At the beginning of the forum, Comrade Chen Weida stated: I hope that a happy, concert-like atmosphere will prevail in our gathering today. I also hope everyone will speak freely. In the happy and enthusiastic atmosphere, Comrade (Bao Chang), responsible person of the leading group in charge of the party rectification work under the municipal Writers' Association, first gave a briefing to the forum on the party rectification work done by the association in the former stage.

He pointed out that conducting the party rectification work in the former stage, the broad masses of party-member writers have earnestly studied the documents concerning party rectification and have further enhanced their sense of party spirit. In the comparison and examination stage of the party rectification drive, they have enhanced unity among party members by having a heart-to-heart talk, thus bringing into play the enthusiasm of party-member writers.

Comrade Chen Weida was happy to hear the briefing of the municipal Writers' Association and held a cordial talk with participating writers. He fully acknowledged the achievements scored by the association in conducting party rectification work and urged the party committees at all levels to frequently introduce the situation prevailing in economic construction to writers in the days to come, so as to enable writers to fully understand the party's strategic decisive policies and so as to create more and better works by standing on a high plane and seeing far ahead.

Also attending the forum were Xiao Yuan and Wang Shudong, Standing Committee members of the municipal CPC Committee, and responsible comrades from the departments concerned.

HEILONGJIANG HOLDS MEETING ON PARTY RECTIFICATION

SK200225 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 19 Jul 84

[Excerpts] On 19 July, the party rectification guidance committee of the provincial CPC Committee held a meeting of provincial-level organs to exchange experience in party rectification. Exchanging experiences at the meeting were four units, including the Party School under the provincial CPC Committee, the provincial Forestry Department, the provincial Communications Department, and the provincial Grain Bureau. The meeting, sponsored by the Standing Committee of the provincial CPC Committee, relayed Comrade Li Lian's speech for the participants to study and it discussed Circular No 9 of the CPC Central Commission for Guiding Party Rectification.

Chen Junsheng, deputy secretary of the provincial CPC Committee, presided over and made a speech at the meeting. He urged those in attendance to conscientiously make comparison and examination and to promote reform through party rectification. Huang Zhigang, responsible person of the Heilongjiang liaison organization under the CPC Central Commission for Guiding Party Rectification, also attended the meeting.

After affirming the experiences of the four units, Comrade Chen Junsheng gave a few suggestions to provincial-level organs on achieving party rectification.

Chen Junsheng first spoke on the issue of promoting reform through party rectification. He said: Attending to reform in the course of party rectification is different from only attending to reform. Through a systematic study of party rectification documents, and especially comparison and examination, we achieved successes in eliminating leftist influence, further emancipating our minds, conscientiously going into action, actively doing our work, and fostering a spirit of conducting reform and creating a new situation. Past practices have proven that through studying party rectification documents, some leading comrades thought of linking reform with the ultimate aim of the party and enhanced their sense of the urgency of reform.

The second issue discussed by Chen Junsheng was on making good comparison and examination. He said: Most provincial-level organs have conscientiously made comparison and examination, made full preparations, made serious checks, attended to principal problems, made deep assessment and discussion, and successfully solved the problems in the party.

Comrade Chen Junsheng also said: After making comparison and examination, we should spend about 3 months to deeply carry out party rectification and correct mistakes. This is important in ensuring high standards and quality in party rectification.

With regard to further strengthening the leadership over party rectification, Comrade Chen Junsheng stressed taking responsibility for party rectification.

HEILONGJIANG'S LI LIAN ON BORDER AREA EDUCATION

SK190603 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 18 Jul 84

[Text] Culture and education in border areas has become an issue to which the local cadres and people pay great attention. Their general view is that the number of teachers is insufficient and teaching quality is low, which cannot meet the needs of development and construction and which makes some cadres unable to keep their minds on construction of the border areas. Li Lian, secretary of the provincial CPC Committee, discussed this issue with local cadres and put forward some constructive opinions during his recent investigation-study tour in the border areas.

Comrades of the Luobei County CPC Committee said: Talented people are scarce here. In particular, the number of primary and middle school teachers is insufficient and their quality is low.

We hope that the provincial CPC Committee will take the characteristics of border areas into consideration and render support accordingly.

Li Lian said: The lack of talented people is a general problem. Following the readjustment of policies, this situation has been improved. Your request is reasonable. The province and the prefecture should pay attention to and support it. However, the training of talented people should be carried out mainly through self reliance.

He said: Low teaching quality, in the final analysis, reflects the low quality of teachers. Only when we have qualified teachers can we cultivate qualified students. From now on, we should give an examination to teachers every year. Those who are qualified may serve as teachers and those who are not should serve as probationary teachers whose level should be upgraded within a certain period of time through make-up courses, training, correspondence courses, and independent study. Those who fail successively in three examinations should be removed from the teacher contingent. Wages of teachers and probationary teachers should be different. We should not pay qualified teachers and unqualified ones equally. In this way, we can help eliminate the big rice pot from the teacher contingent. We should now issue a circular announcing that an evaluation examination will be held at an appropriate time next year so everyone can begin to prepare for it.

He said: In developing education, we have relied on quantity for many years, to the neglect of teacher quality. A great portion of our limited education funds was not spent in the right place and was unable therefore to yield due results.

He suggested that Luobei change one ordinary middle school to a teacher training school or open teacher training courses at a selected, comparatively better-run ordinary middle school so as to train its own qualified teacher contingent. In this way, students at ordinary middle schools may be fewer but, fundamentally speaking, the results will be better.

Comrades of the Tongjiang County CPC Committee said: Two-thirds of the county's 500-odd primary school teachers fail to master their teaching materials. In this year's preliminary entrance examination of colleges and universities, only 20 of the more than 500 examinees passed the examination.

Li Lian said: This is another problem related to the quality of teachers. It is better for us to hire and train 20 qualified, high-standard teachers than to hire 50 unqualified ones for the same amount of money. As our education funds are limited, we should not use them arbitrarily in every place as if we were spraying sesame seeds. We should concentrate use of them to improve the quality of primary and middle school teachers. In developing education, we should not commit the same mistake of expanding scale to the neglect of benefits as we did in developing industry.

Comrades of the Fuyuan County CPC Committee said: The school enrollment rate of school-age children of the whole county is higher than 95 percent, but because the number of teachers is not sufficient and their quality is low, children cannot learn much.

Li Lian said: The situation of having the highest enrollment rate and the lowest teaching quality should be changed.

He said: Education, like other undertakings, cannot be developed with extensive methods. We should not seek an undeserved reputation only to harm ourselves later by having done so. We should not only pay attention to input but, more importantly, we should emphasize output.

Since last autumn, the (Jiansanjiang) Farm Administrative Bureau has adopted two measures to solve the problem of middle school teacher quality.

One is to hire from inland areas 120 college and university graduates with excellent pay to replenish the teacher contingent. The other is to select 150 teachers and send them to colleges and universities for training. These measures have brought about a fundamental turn for the better in teacher quality.

Li Lian praised the bureau after hearing the report. He said: The practice of the (Jiansanjiang) Farm shows that there will always be a way to solve the problem of a lack of teachers and the poor quality of teachers as long as we seek truth from facts and emancipate our minds.

LI DESHENG VISITS RETIRED LIAONING SERVICEMEN

SK200125 Shenyang LIAONING RIBAO in Chinese 27 Jun 84 p 1

[Text] On the afternoon of 24 June, Li Desheng, commander of the Shenyang Military Region, went to Maershan Village in Yaoqianhu Township of Shenyang City's Sujiatun District to visit retired soldiers and convene a forum. He was accompanied by Zuo Qin, director of the Political Department of the provincial Military District.

Having heard the reports made by Zhou Jingfu, secretary of the Maershan Village party branch, a pacesetter of the provincial model retired soldiers, and an advanced militia instructor of the provincial Military District; and by Xu Jiefu, head of the village and a retired soldier, Li Desheng happily said: "After retiring from troop service, you two have played an active role in building the poor and backward Maershan Village into a new and prosperous one." He said to the local leaders who were on the scene: There are over 100,000 retired soldiers in Shenyang. Among them, there are many talented persons. Attention should be paid to making good use of them. By using these talented people well, their initiative will be mobilized still further.

After shaking hands with new and veteran retired soldiers, Li Desheng asked Wang Naiwen, a veteran retired soldier: "Are you a party member? When did you join the party?" Wang Naiwen answered: "I joined the party during my period of military service." Li Desheng said: "It is not easy to be a good party member. A party member should be the first to sacrifice himself and the last to enjoy comforts. We should all act as qualified party members." Li Desheng said to the retired soldiers participating in the forum: "You should not only make yourselves prosperous, but should also support and help your neighbors and all other villagers to become prosperous. Retired soldiers in some localities have organized to help comrades-in-arms and poverty-stricken households become prosperous. They have done all they can in this regard. You should learn from them."

Zhou Jingfu pledged to organize all retired soldiers in the village to set an example in developing commodity production and becoming prosperous through hard work. After hearing this, Li Desheng said with a smile: "Well, I will look forward to your good news."

LIAONING STATE SECURITY DEPARTMENT FORMED

SK200233 Shenyang LIAONING RIBAO in Chinese 6 Jul 84 p 1

[Text] With the approval of the provincial CPC Committee, the provincial People's Government, and the Ministry of State Security, the Liaoning Provincial State Security Department has been formally established. Its inaugural meeting was held in Shenyang on 5 July.

Attending the meeting were Xu Shaofu, secretary of the provincial CPC Committee; Song Li, member of the Central Advisory Commission and chairman of the provincial CPPCC Committee; Zhang Wu, deputy political commissar of the Shenyang Military Region; Zhao Xianshun, deputy commander of the Shenyang Military Region; Zhang Tiejun, Standing Committee member of the provincial CPC Committee and secretary of the provincial Political and Legal Commission; Ding Jianrui, commander of the provincial Military District; Tang Hongguang, vice chairman of the provincial People's Congress; Zuo Kun, provincial vice governor and deputy secretary of the provincial Political and Legal Commission; and Yu Jingqing, vice chairman of the provincial CPPCC Committee.

Xu Shaofu, secretary of the provincial CPC Committee, spoke at the meeting. He said: The state security organizations are organizations exercising people's democratic dictatorship as well as an integral part of the state. Establishing state security organizations is an important strategic policy of the CPC Central Committee and has a bearing on the safety of the party, the country, and the people. The establishment of the provincial State Security Department is a major event on our province's political and legal front and will play an active role in vitalizing Liaoning, serving the whole country, and defending state security.

Leading comrades of the Ministry of State Security made a special trip to Shenyang from Beijing to attend the meeting and extend congratulations.

LIAONING FIRST-HALF EXPORTS EXCEED \$2.3 BILLION

0W190912 Beijing XINHUA in English 0729 GMT 19 Jul 84

[Text] Shenyang, July 19 (XINHUA) -- Exports from northeast China's Liaoning Province reached 2.398 billion U.S. dollars in the first half of this year, a 33.2 percent increase over the same period in 1983, according to the provincial Economic Commission.

The province overfulfilled its half-year export quota in major commodities. More than 33 percent increases were registered in the export of cereals and oils, textiles, native products, chemicals, silks, machinery and equipment. Compared with the corresponding period in 1982, Liaoning's exports to Japan in the first six months rose 20 percent to 1.357 billion U.S. dollars. Those to the United States increased 100 percent to 321 million U.S. dollars, and to Hong Kong grew 17.2 percent to 161 million U.S. dollars.

The province, a heavy industrial center, is boosting its foreign trade by building up export-oriented commodities producing bases in Dalian, Yingkou and Dandong, as well as a number of producing centers for ginseng, antler velvet, jellyfish, apples, rabbit, black melon seeds and other agricultural and side-line products. The province will also stress exports of petrochemicals, ferrous and non-ferrous metals, nonmetals, and building materials, while increasing its exports of agricultural and side-line produce and native products.

LIAONING'S ZHUANGHE COUNTY BUILDS OWN RAILROAD

0W181331 Beijing XINHUA in English 1244 GMT 18 Jul 84

[Text] Dalian, July 18 (XINHUA) -- Work has begun on a 48-kilometer railway funded by Zhuanghe County in Liaoning Province to help develop and exploit rich mineral resources.

Most lines in China are built and managed by the Ministry of Railways, but local governments are now encouraged to build their own to speed up railway construction -- a top priority in the nation's economic development plan.

The new line will run from Chengzitan -- the terminal of a state-owned line linking the port city of Dalian -- to the town of Zhuanghe County on the Liaodong Peninsula.

Of the 32.8 million yuan (about 15 million U.S. dollars) investments, the county government will contribute 60 percent and the state the remainder. The railway will be run by the local government when it opens in June, 1986.

The county's mineral resources include talcum, coal, iron, gold, copper and magnesium. Reserves of siliceous sandstone there -- raw material for making glass -- are verified at more than 10 billion tons.

GANSU'S LI ZIQI SPEAKS AT MEDICAL COLLEGE

HK200353 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 19 Jul 84

[Text] Li Ziqi, provincial CPC Committee secretary, yesterday afternoon visited specialists in medicine, medical professors, and other staffers at Lanzhou Medical College and its affiliated hospitals. Comrade Li Ziqi said: It is necessary to give full play to the initiative of the broad masses of medical and teaching staff and further enhance their teaching quality, service quality, and management efficiency through reform in the medical college and the affiliated hospitals.

After being briefed on the development of Lanzhou Medical College, Comrade Li Ziqi said: In order to promote economy, to improve the people's living standards, and to enable the people to get rich as soon as possible, the province must on the one hand devote great efforts to revitalizing the economy and, on the other, pay attention to cultural work, education, and public health service. It is necessary to attach importance to both the material and spiritual civilizations. The population has increased and cities have been expanded in Gansu. However, the development of hospitals in the province has been lagging far behind the increase in population and cities. Lanzhou Medical College and its two affiliated hospitals occupy an essential position on the public health front in the province. Now the college and the two hospitals have at their command a valuable asset -- a large contingent of medical specialists, professors, and doctors. In order to keep in line with the economic development of Gansu Province and to meet the people's needs, Lanzhou Medical College should speed up its development and strive to double its student enrollment by 1990.

At a forum, Comrade Li Ziqi and the comrades of the departments concerned reached an agreement through deliberation. According to this agreement, Lanzhou Medical College is to set up four research institutes and five research offices: namely, the research institutes of psychiatry, orthopedics, Chinese medical material, and hematology; and the research offices of environmental health, endocrinology, infectious diseases, dermatology, and urologic surgery.

At the forum, Comrade Li Ziqi also said: Lanzhou Medical College and its affiliated hospitals must make greater efforts to implement the policy on intellectuals and the policy on medical and public health work. They should offer attractive pay and benefits to those intellectuals who have made outstanding achievements and should get rid of the old practice of placing undue emphasis on seniority. Medical personnel in their 30's or 40's can also be promoted to the positions of associate professor or professor if they have made outstanding contributions and have vocational ethics. As far as vocational work is concerned, it is necessary to provide better working conditions to intellectuals so that they can give full play to their talents.

NINGXIA FORMS ITS FIRST RESERVE ENGINEER UNIT

HK190742 Yinchuan NINGXIA RIBAO in Chinese 7 Jul 84 p 1

[Report by Wang Erxing: "Li Xuezhi Speaks at Ceremony of the Establishment of Ningxia's First Reserve Engineer Regiment in Shizuishan City"]

[Text] In the early morning of 6 July, the air in Shizuishan City appeared pure and fresh after the rain, and the square at the city center was decorated with colored flags and resounding with martial music. Huge posters with the slogan "Take an active part in reserve military service and contribute to the consolidation of national defense and the four modernizations" were put up in many streets. Some 2,000 military engineers in the reserves, all valiant and heroic in bearing, were standing in formation at the center of the square.

More than 10,000 people of different nationalities were standing around the square. A ceremony was held to celebrate the establishment of our region's first reserve engineer regiment. Tan Youlin, political commissar, and Dong Zhanlin, deputy political commissar of the Lanzhou PLA units, Li Xuezhi, Liu Xueji, Zhao Min, Mao Sizhong, and Wang Jinzhang, leading comrades of the Ningxia Regional CPC Committee, People's Government, Military District, and CPPCC Committee, attended the ceremony.

The reserves constitute an armed force that is organized in peacetime and can be called up in war to enter active military service. They are an important component of our country's Armed Forces. The organization of reserve troops represents a new development of our national defense work under the new situation.

The ceremony began at 0800 with the military band playing the national anthem. Accompanied by the commander and political commissar of the reserve engineer regiment, leading comrades of the Lanzhou PLA units and the regional party committee, government, military district, and CPPCC Committee reviewed the troops. Then, Tan Youlin, political commissar of the PLA Lanzhou units, and Li Xuezhi, secretary of the regional party committee and first political commissar of the Ningxia Military District, spoke to the rally. Political Commissar Tan Youlin pointed out that the establishment of reserve forces is a strategic step taken by the party Central Committee and the Central Military Commission under the new historical conditions and is a major measure for building reserve military strength and consolidating national defense. This measure will ensure a rapid mobilization of the Armed Forces in case of war. Tan Youlin called on the reserve engineer regiment to intensify its political and military training, enhance its combat capability, and build the regiment into an elite force that has a high political and military quality and can win in battle.

Comrade Li Xuezhi said: Our modernization program is being carried out in a turbulent international environment. We must heighten our vigilance and strengthen leadership over the work of building reserve armed forces. This matter is of great strategic significance. We must handle this work effectively and efficiently. He stressed that all local party committees and governments should carry forward the glorious tradition of taking care of the building of the armed forces, place this work on their routine agenda, establish a sound system of discussing military affairs, and promptly settle major problems in this work. He also called on the soldiers and commanders in the reserves to earnestly study Marxism-Leninism and Mao Zedong Thought, heighten their communist consciousness, maintain a high degree of political and ideological uniformity with the party central leadership, and play an exemplary role in building socialist spiritual civilization. He said: Soldiers in the reserves should work hard to increase their combat efficiency and play a leading role in industrial and agricultural production so as to make contributions to developing the Ningxia Region in the light of Comrade Hu Yaobang's instruction that "Ningxia should be the first to free itself from the backward condition."

In conclusion, a march-past was conducted. Soldiers of the reserve engineer regiment also displayed their military skills to leaders attending the rally.

QINGHAI'S ZHAO HAIFENG ON PARTY RECTIFICATION

HK190521 Xining Qinghai Provincial Service in Mandarin 1100 GMT 18 Jul 84

[Excerpts] The Qinghai Provincial CPC Committee convened a meeting on party rectification in the provincial organs yesterday morning. Comrade Zhao Haifeng analyzed the current state of comparison and examination and outlined arrangements for implementing the spirit of Circular No 9 of the Central Commission for Guiding Party Rectification and for doing a good job in rectification and correction.

Comrade Zhao Haifeng said: Since late March, party rectification in the provincial party and government organ has shifted to the comparison and examination stage. Generally speaking, the work in this stage has had a healthy development. The majority of units have done relatively well. The current problems are: The focal points of collective comparison and examination in the leadership groups of certain units have not been given prominence, or else simultaneous rectification and correction has been neglected during the stage of comparison and examination. A few units which do not have a good grasp of the work have made slow progress.

In view of this, Comrade Zhao Haifeng proposed that the measures put forward by the various units while carrying out comparison and examination should be implemented in the course of practice. Units that have already basically completed comparison and examination should, while carrying out rectification and correction, check on whether the guiding ideology for their professional work has been corrected; whether the existing main problems have been identified; and whether practical measures for improving things have been put forward. Units that have not yet completed comparison and examination must continue to do well in this work without either lowering standards for the sake of speed or taking too long.

On implementing Circular No 9, Comrade Zhao Haifeng said: The central authorities have demanded that after basically completing comparison and examination, the units carrying out party rectification spend 3 months in rectification and correction. In studying and discussing this, the provincial CPC Committee Standing Committee holds that this is of major significance for making party rectification successful, and the committee will resolutely implement it. On behalf of the provincial CPC Committee, Comrade Zhao Haifeng put forward the following demands:

1. Further correct the guiding ideology for professional work and speed up the pace of all reforms. At present, leftist influences remain the chief obstacle hampering reforms. All areas and units must examine the main problems in their previous work in connection with party rectification, learn beneficial experiences and lessons thereby, and thus further correct their thinking to suit the demands of reform.
2. Totally negate the Great Cultural Revolution, eliminate factionalism, and strengthen party spirit. It is necessary to conduct positive education among party members and the masses in totally negating the Great Cultural Revolution, correct errors, overcome factionalism with party spirit, and bring the thinking of the whole party into line with the resolution of the sixth plenary session and the principles of the decision on party rectification. We must continue to act with categories. We must do well in building the third echelon.
3. Seriously and responsibly investigate and deal with problems of grave bureaucratism and of using power for private purposes. This should currently be focused on problems in management.
4. Insist on high standards and strict demands and seriously solve the main problems existing in the leadership groups. The leadership groups at all levels must maintain political unity with the CPC Central Committee. People with serious Cultural Revolution problems who have entered the leadership groups, together with people who have violated law and discipline in economic and other respects, must be dealt with severely and decisively the moment they are discovered. To strengthen and augment the leadership groups, we must promote to the leadership groups middle-aged and young cadres who, by testing, have been proven capable of meeting the demands of the four transformations and who possess the pioneering spirit.

QINGHAI FORMS RULES ON COMMODITY CIRCULATION

HK190852 Xining Qinghai Provincial Service in Mandarin 1100 GMT 17 Jul 84

[Text] The provincial People's Government recently formulated regulations for the trial implementation of commercial reforms.

The regulations -- centered on further enlivening commodity circulation in the province, developing commodity production, and boosting urban and rural economy -- propose that it is necessary to further relax the policy on purchasing beef cattle and hides, and on the variety and the purchase quantity assigned by the state, and that it is necessary to purchase and sell them at negotiated prices.

It is necessary to circulate commodities according to economic zoning, to reasonably readjust wholesale organizations, and to establish various types of wholesale centers. All localities must, according to the needs and conditions of local economic development, gradually establish wholesale exchange markets for agricultural, animal husbandry, and sideline products, and establish trade centers for industrial products. These must adhere to the principle of establishing only one wholesale organization in a city, merge the existing two wholesale organizations in the Xining areas into one, and combine the business operations of the province and Xining City.

It is necessary to adopt the principle of simultaneous development of the state, collectives, and individuals in grain production, and it is necessary to open up a new field for the business operation of grain. While reforming the existing state-run forage processing industry, it is necessary to vigorously support and develop farms and pastures, supply and marketing departments, and collective units engaged in agricultural production and animal husbandry; and it is necessary to organize specialized households engaged in breeding and forage to develop the forage processing industry. It is necessary to expand the production of marketable food via negotiated prices and to sell food at these negotiated prices, with the exemption of food coupons from customers. In the catering trade, staple food and cakes can also be sold at negotiated prices with the exemption of food coupons. The sale of grain and oil at negotiated prices must be expanded from towns and cities to rural and pastoral areas. It is necessary to adopt various measures to vigorously develop [words indistinct], which are welcomed by peasants and herdsmen, and to do business on a barter basis.

In the 10 regulations for the trial implementation of commercial reforms, the provincial People's Government has also made specific stipulations on reforming the supply and marketing cooperative system, on reforming the labor and personnel system in enterprises, on reforming the methods of financial management in enterprises, on promoting and perfecting the responsibility system in business operations within enterprises, and on expanding the competence of enterprises in defining prices.

XINJIANG PRODUCTION MANAGEMENT MEETING HELD

HK190730 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 18 Jul 84

[Text] The regional Economic Committee held a production management meeting this morning, calling on all prefectures and all provincial departments and bureaus to gain a firm grasp of current industrial production and communications and transport, and to develop production month after month in order to ensure that our region achieves a 6 percent increase, while striving for a 7 percent increase, in industrial production and in communications and transport this year.

The meeting pointed out that in the first half of this year, the situation in industrial production and communications and transport in our region was good.

We attained the simultaneous development of output value, profit, and revenues. Most targets for economic results in the first half of this year were higher than those in the same period last year. However, the existing problems were quite conspicuous. We failed to fulfill the requirement of reaching 50 percent of the gross value of industrial production in the whole region in the first half of this year. The quality of key industrial goods was stable, but the rate of improvement dropped to some extent and the production costs of major products increased. For this reason, the meeting stressed that economic committees at various levels should conduct investigation and study of enterprises confronted with many problems and should help them formulate specific measures and ways to deal with these problems. It is necessary to strengthen production management and to unclog transportation channels, particularly railway transportation. It is necessary, in accordance with the principle of doing work in priority order, to transport in good time the goods and materials urgently needed in production. Great efforts should be made to do a good job of harmonious production and prevent the phenomenon of firmly grasping production in the third quarter but relaxing it in the fourth.

Tuohuti Shabier, vice chairman of the regional People's Government, attended the production management meeting. In his speech he pointed out that with respect to some key products for which we failed to fulfill the plan requirements in the first half of this year, it is necessary to start solving these problems one by one. With respect to some heavy industrial products, the production and sales of which are relatively good, we should try every possible means to increase their production. With respect to some textile and other light industrial products which are unmarketable and which have been kept in stock for a long time, it is necessary to keep their production under control. In the meantime, we should make industry and commerce dovetail in order to ensure the unity of speed and results in industrial production and in communications and transport.

MING PAO NOTES ZHANJIANG'S WEAK INFRASTRUCTURE

HK170856 Hong Kong MING PAO in Chinese 17 Jul 84 p 5

[Special dispatch from Guangzhou: "Many Complaints from Oil Experts Over Zhanjiang's Poor Infrastructure"]

[Text] Zhanjiang, Guangdong, is one of the 14 coastal cities which China has decided to open up further to the outside world. It is richly endowed by nature, with its harbor and natural resources, particularly oil deposits. Zhanjiang can be said to be a "four-in-one" city functioning as an oil industry port, a trading port, a fishing port, and a naval port. However, it is backward in its industrial production, very poor in its infrastructure. Some foreign oil company specialists are always complaining and are unwilling to live in Zhanjiang. Zhanjiang does not yet possess the conditions to become the oil center of the South China Sea.

Zhang Qiming, manager of the scientific research institute for oil surveying and development stationed in the east district of Zhanjiang points out that the four aspects that cause foreign oil company specialists headaches are: First, the ferry. One has to take the ferry to get to the oil company, but one must to wait a solid hour before one's turn comes. Second, the airplane. Flights are constantly being cancelled. Third, the telephone. One has to wait 2 days to make a long distance call to contact the outside world. Fourth, the hotel. Often one cannot find a place to live there.

Some foreign companies participating in oil surveying in Zhanjiang have moved their headquarters to Hong Kong and others would rather move to hired rooms in the newly-opened Guangzhou Hotel. It is said that the boss of a foreign oil company earns HK \$8,500 per diem, enjoying to his heart's content, with his family of three, a luxurious apartment covering a floorspace of 200 square meters in Hong Kong. According to an agreement, the Chinese side will pay compensation for his salary and all the expenditures of his family in the future. It is learned that at present the annual expenditures for oil surveying in the whole South China Sea area amount to \$2.3 billion. Because China has failed to supply goods and materials and articles for daily use, the major part of this tremendous sum of money has fallen into the hands of other people. If Zhanjiang were capable of providing installations of various categories and articles for daily use, there would be no reason for the bosses, specialists, and staff members of foreign oil companies to refuse to stay in Zhanjiang, and their living expenses would not flow out of China.

There are only four corporations providing personal services for the foreigners in the oil production industry in Zhanjiang at present, whereas there are over 160 in Singapore, and even more in Houston. Recently the British Redwood Company, specializing in geological testing, wanted to come to Zhanjiang. They wanted to deliver their technology to Zhanjiang and would have spent their money right there. However, Zhanjiang had to say that "there was no vacancy."

If Zhanjiang is to realize its potential advantages, it has to grasp the building of its infrastructure first. There is no other way out. But from where will the capital funds it needs come? The answer is first, the import of foreign capital funds, and second, the transformation of existing enterprises. According to Chen Qing, vice mayor of Zhanjiang: "Transformation should be synchronous with reform; reform in production links should be synchronous with reform in the circulation links. Capital funds will grow out of reform, and it is more reliable to get money out of reform than to ask for money from the central administration."

Chen Qing said: "New technology, new equipment, and new techniques have been imported, but if reform fails to come, progress will still be slow -- "the new cart will not be any better than the rickety one if the same old ox is pulling it."

HONG KONG-BASED BANKERS CITED ON LOANS FOR PRC

HK180458 Hong Kong SOUTH CHINA MORNING POST in English 18 Jul 84 Business News Supplement p 3

["Business in China" column by Liz Carver: "Loan Talks for Power Projects Moving Slowly"]

[Text] Attempts to raise a total of more than U.S. \$1.3 billion for two Chinese energy projects is progressing slowly, bankers said in Hong Kong yesterday. This is despite banks' eagerness to lend to China with the country's excellent credit rating.

It may be the fourth quarter of this year or early next year before funding is arranged for the Daya Bay nuclear plant and a coal project in which Occidental Petroleum Corp and Peter Kiewit Sons' Inc of the U.S. are participating, they said.

Bankers said they remain confident financing will be arranged for both projects.

Hong Kong-based bankers, all of whom decline to be named when commenting on China deals, said Peking wants about \$1 billion in commercial financing for Daya Bay, a nuclear power station to be built north of Hong Kong. The financing has been under discussion for most of this year and China is still sticking to its initial demands for loans of 15 years at 3/8 percentage point over London interbank offered rates (Libor), they said.

The terms China is demanding for the Daya Bay loans have frightened many Western banks, a lending officer for a major European bank in Hong Kong said. "They will pass it up, but with great reluctance," he said.

Bankers also cite uncertainty over what assurances China will give on controlling nuclear materials and technology.

Many bankers here said they now expect the funding to be provided by Japanese banks, as yet unidentified, although probably at prices higher than China wants.

The bankers said they were less clear about the status of financing for the U.S. side of the Antibao coal mine in Shanxi Province. Work has begun on the infrastructure for the mine, also known as the Pingshuo project. Banking sources said the total cost may be \$600 to \$700 million, of which the U.S. side's share is \$300 to \$400 million.

They said the Bank of China (BOC) is expected to have a role in the financing, but what it will be is unclear. According to foreign bankers in Peking, BOC said in recent weeks that it will support the project, but did not promise to guarantee the U.S. side's loan.

Banking sources said another body, the China National Coal Development Corp, is likely to be the guarantor.

An Occidental spokesman in the U.S. last week told Reuters there has been no change regarding BOC participation.

Bank of America and First National Bank of Chicago, which banking sources said are thought to be closely involved in the financing, said they could not comment until later this year.

A U.S. banker in Hong Kong said the loan will be done by the fourth quarter on very satisfactory terms for the venture and banks.

He said a BOC guarantee is not needed, because the coal reserves are considered very high quality. However, other bankers said it is uncertain whether other Chinese agencies will be as well regarded by possible lenders.

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